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# ***Daily Report***

## **China**

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# Daily Report

## China

FBIS-CHI-94-076

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20 April 1994

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## General

### UN Envoy Says Arms Transfers Should Not Undermine Peace

OW2004055894 Beijing XINHUA in English  
0543 GMT 20 Apr 94

[Text] United Nations, April 19 (XINHUA)—China said today that international arms transfers should help ensure self-defense and not undermine peace and security.

Arms transfers should neither be used as pretext for interfering in the internal affairs of sovereign states, affirmed Chinese Ambassador Hou Zhitong when addressing the UN Disarmament Commission.

The key to solving the problem of unrestricted arms transfers lay in the political will of a few countries which have the most advanced defense industries and most arms exports, he noted.

The international community should call on certain countries to stop their exports of large quantities of arms to other states for ulterior motives, stressed Hou.

He called on the world community to take immediate steps forcefully against the illicit arms transfers.

Meanwhile, the Chinese ambassador also clarified his country's positions on some other issues concerning disarmament.

China supported efforts to conclude negotiations on the Comprehensive Nuclear Test-Ban Treaty by 1996, he said. The negotiations began earlier this year at the conference on disarmament in Geneva.

Hou reiterated that his country had undertaken not to threaten the use of, or to use, nuclear arms against non-nuclear-weapon state and it had also called on other nuclear-weapon states to do the same.

Hou expressed China's support to many developing countries in their demand that non-proliferation should not hinder international technological cooperation, much less be used as an excuse for blocking their acquisition and development of science and technology.

### Temporary Cease-Fire Reached in Gorazde

OW2004053494 Beijing XINHUA in English  
0515 GMT 20 Apr 94

[Text] Belgrade, April 19 (XINHUA)—Bosnian Serbs and the UN peace-keeping forces today agreed on a temporary cease-fire in Gorazde, an eastern Bosnian town under intense gunfire over the past few days.

Bosnian Serb "parliament speaker" Momcilo Krajisnik and civil affairs chief of the UN forces in Bosnia Victor Andreev [names as received] signed a memorandum to the effect late today, which provides for a cease-fire around Gorazde and the deployment of some 100 UN Protection troops there.

Under the memorandum, "the Serb side agrees, as long as it is not being attacked, to cease fire immediately" within an area three kilometers away from downtown Gorazde on the left bank of the Drina river.

The UN protection forces will deploy in the truce area some 100 soldiers, 41 medical personnel, 20 armored cars and 29 non-military vehicles.

The UN forces and staff of other international groups will be able to carry out normal humanitarian aid in the area but any activities to be conducted out of the area must obtain advance Serb permission.

The temporary accord will remain effective until a permanent one is reached.

Earlier today, Russian President Boris Yeltsin urged the Serbs to put down their weapons while UN Secretary-General Butrus Butrus-Ghali asked for the expansion of NATO air strikes on Serbs and the U.S. threatened to bomb Serb territory.

The U.S., reportedly ready to issue another ultimatum to Bosnian Serbs, warned that it would launch a preemptive and extensive air strike on Serb territory if Serbs continue their attacks or threaten the safety of any UN peace-keeping soldier.

U.S. President Bill Clinton said in Washington tonight that he would soon announce further pressure and operation plans against the Serbs.

NATO launched two air strikes on Serb positions around Gorazde last week to press for cease-fire, but the Serbs, undeterred by the bombings, retaliated furiously and entered the besieged town over the weekend.

### 'Roundup' Views Fighting in Gorazde

OW2004022894 Beijing XINHUA in English  
0202 GMT 20 Apr 94

["Roundup": "Fighting Continues in Gorazde"]

[Text] Belgrade, April 19 (XINHUA)—Bosnian Serb leader Radovan Karadzic said in Pale, Serb's stronghold in Bosnia, Tuesday [19 April] that Serbs "really want Gorazde to become a demilitarized region," blaming the fighting on a UN failure to disarm Muslim government troops.

At a press conference, Karadzic said the Serb attack was not aimed at taking the entire town, but just the south bank of the Drina river, "which has always belonged to us." The river divides Gorazde.

But reports reaching here said that Serbian forces shelled UN buildings in Gorazde Tuesday, showing no signs of honoring pledges to stop their attack on Gorazde, a Muslim enclave suffering one of the worst assaults in Bosnia's two-year war.

UN officials lost contact with aid workers and military observers in Gorazde late in the day when their building was hit by shells.

In Washington, President Bill Clinton met with his national security advisers to examine military and diplomatic options for dealing with the Serb defiance.

In Moscow, the Russian government, angered at the Serbs' broken promise to halt their attack on Gorazde, also announced it was shelving its longstanding bid to get UN sanctions against the Serbs lifted.

The developments were seen as a major break between Moscow and the Serbs, fellow Slavs with whom it shares historical and religious ties.

"The conflict in Bosnia-Herzegovina is on the verge of dangerous escalation despite the energetic diplomatic efforts of Russia taken in conjunction with the United Nations and other members of the international community," President Boris Yeltsin said in a statement issued by his office Tuesday night.

"The Bosnian Serb leadership must fulfill its promises given to Russia, stop the attacks and pull back from the town of Gorazde," he said.

The Serbs attacked Gorazde just a day after Russian Foreign Minister Andrey Kozyrev said they had promised to halt their offensive. His assurances led NATO to cancel plans for new air strikes against the Serbs.

Russia has 1,300 soldiers serving in the UN force in former Yugoslavia and is eager to avoid direct confrontations with the Serbs. It sent 200 more paratroopers to the war-torn region on Tuesday to replace other Russian peacekeepers.

Serbs' SRNA News Agency reported Muslim-Serb fighting near Brcko, which is the narrow point of a corridor linking Bosnian Serb territories in the northwest and northeast. State radio in neighboring Croatia also said Serbs were reinforcing their forces near Brcko.

According to another report, on Sarajevo's southern fringe, as many as 150 Serb soldiers brushed aside 30 French peacekeepers at the Lukavica barracks and took back 18 anti-aircraft guns they had surrendered under a NATO threat of air strikes two months ago.

NATO officials responded cautiously Tuesday to a request from UN Secretary-General Butrus Butrus-Ghali for broader authority to call in air power to protect the six UN-designated "safe areas" like Gorazde.

#### **NATO Air Strikes 'Temporarily' Calm Bosnia Situation**

HK2004070694 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 12 Apr 94 p 6

[Article by Zi Jian (4793 0494): "Sound of Air Raids in Bosnia-Herzegovina 'Safe Zones'"]

[Text] Two U.S. F-16 fighter planes dropped three bombs on the Serb armed forces at Gorazde, in Bosnia-Herzegovina, at 1620 GMT on 10 April. This was the

first time NATO had carried out air strikes against this region since the Bosnia-Herzegovina civil war broke out two years ago.

According to the U.S. Pentagon, the air strikes were conducted at the request of 12 UN military observers stationed in Bosnia-Herzegovina. Not long before this, these military observers submitted a request to Yasushi Akashi, UN special envoy to the former Yugoslavia, expressing the hope that protection would be provided for Gorazde so that it would not suffer from the Serbs' armed attacks. Yasushi Akashi immediately approved their request and gave the order to provide "strict air assistance." In addition, General Ross, commander of UN troops in Bosnia-Herzegovina, disclosed that he had warned Serb military officers on three occasions not to continue their advance toward or shelling of Gorazde, but subsequently, a Serb tank opened fire on Gorazde, so Ross requested air strikes in the region.

Gorazde is an important city in Bosnia-Herzegovina and is also a place full of bloody clashes and dangers. It was an enclave of Bosnia-Herzegovina Muslims. In 1993, the UN Security Council declared Gorazde, Sarajevo, Bihac, Tuzla, Srebrenica, and Zepa to be six "safe zones," but these "safe zones" are not safe.

In the last two weeks, Gorazde has become even "hotter" because of Serb attacks against the city. Reports say that the Serb armed forces are advancing toward the city from the south and the north, while carrying out armed attacks. During this period, almost 100 people in the city have died in these attacks, and more than 400 have been wounded; many UN personnel in the city also are threatened, including relief personnel, military observers, and ground navigators for the air strikes.

The air strikes in the "safe zones" have temporarily stopped the shelling of Gorazde. At that time, UN Secretary General Butrus Butrus-Ghali, U.S. President Clinton, and the German Government commented on the air strikes. Butrus-Ghali's spokesman in Geneva said that Butrus-Ghali "did not hesitate at all" on the question of using air strength to protect Gorazde, nor did he hesitate on carrying out air strikes again to protect those UN "safe zones." Analysts pointed out that this indicated the secretary general's determination to protect these unsafe "safe zones." Outside the White House, Clinton said: "What we want to do is promote talks." The German Government hoped that in the course of promoting talks, air strikes would force the Serbs to withdraw their troops.

Since the promulgation of the "ultimatum" in early February and the downing of Serb planes, the current air strikes were another major military move by NATO. After the promulgation of the "ultimatum," the Bosnia-Herzegovina capital city of Sarajevo—one of the "safe zones"—remained comparatively calm. In its current air strikes, NATO possibly intended to expand the "Sarajevo formula," but the Bosnia-Herzegovina civil war is long drawn-out, all sorts of conflicts are cropping up, and some regions are full of mountains and forests. The three

bombs may have calmed the situation in Gorazde, but the path to peace in Bosnia-Herzegovina still remains long and tortuous.

#### **U.S. Supports Broader NATO Air Power Use in Bosnia**

OW2004033894 Beijing XINHUA in English  
0326 GMT 20 Apr 94

[Text] Washington, April 19 (XINHUA)—The United States supports UN Secretary-General Butrus Butrus-Ghali's proposal to broaden NATO authority to use air power in Bosnia and will press for stiffer sanctions on Serbia, U.S. officials said.

The new military and diplomatic initiatives will be presented to NATO allies for discussion this week in Brussels, the ASSOCIATED PRESS quoted a senior administration official as saying.

The decision was made after two sessions of meeting between President Bill Clinton and his foreign policy team, but no further details were released yet on the latest U.S. Bosnia policy.

Washington would also continue consulting with Russia and the United Nations on Bosnia, the official said.

Earlier today, when appearing on the MTV, Clinton said he welcomed Russian President Boris Yeltsin's statement urging the Bosnian Serbs to honor their cease-fire pledges but saw the Russian suggestion for an international conference on the crisis as premature though it "deserves serious consideration."

Without further elaboration, Clinton said he will announce a new U.S. policy on Bosnia very soon.

At the Pentagon, Spokesman Dennis Boxx said Clinton and his national security advisors discussed both military and non-military options on Bosnia.

Clinton's Special Envoy Charles Redman has returned from Bosnia to join the consultations in Washington.

Secretary of State Warren Christopher talked twice on Monday with British Foreign Secretary Douglas Hurd over the phone and would call French Foreign Minister Alain Juppe today, State Department Spokesman Michael McCurry said.

#### **France, Russia Agree on Peace Effort in Bosnia**

OW2004032994 Beijing XINHUA in English  
0321 GMT 20 Apr 94

[Text] Paris, April 19 (XINHUA)—French and Russian foreign ministers today reached a consensus in a telephone conversation on promoting diplomatic process and coordinating mediation efforts in Bosnia-Herzegovina.

A French Foreign Ministry spokesman said that French Foreign Minister Alain Juppe and his Russian counterpart Andrey Kozyrev discussed the situation in Gorazde, eastern part of Bosnia.

Juppe urged Russia and the United States to consult with the European Union and the United Nations as soon as possible so that a common position on Bosnia will be worked out and the peace talks be resumed.

He said Kozyrev was positive toward a French proposal on renewed diplomatic efforts and its draft resolution to be presented to UN Security Council.

The French draft calls for an immediate ceasefire in Gorazde, a withdrawal of Serb forces from the region and a deployment of UN peacekeeping forces there.

The draft reportedly received the support of 11 countries at the EU foreign ministerial meeting in Luxembourg on Monday.

Official sources in Paris said that as both the Russian contact with the Serbs and the U.S. contact with the Muslims failed to end the fighting in Gorazde, only a united mediation effort could bring all the Bosnian warring factions back to the negotiating table.

The spokesman quoted Kozyrev as saying that Russia will continue to persuade the Serbs to accept the demand of the international community.

#### **Butrus Butrus-Ghali Appoints Deputy for Administration**

OW1904190794 Beijing XINHUA in English  
1842 GMT 19 Apr 94

[Text] United Nations, April 19 (XINHUA)—Secretary-General Butrus Butrus-Ghali today appointed Joseph Connor as under-secretary-general for administration and management, effective May 1, according to a U.N. spokesman.

Connor will be responsible to the secretary-general for all financial and personnel matters and for ensuring an integrated approach to all managerial issues within the U.N. Secretariat, the spokesman said.

Presently a distinguished professor at the Georgetown University School of Business, Connor was chairman of Price Waterhouse world firm until 1993.

#### **'Roundup' Views 'Arafat's Talks With Russian Leaders**

OW2004013394 Beijing XINHUA in English  
0048 GMT 20 Apr 94

["Roundup": "Arafat's Talks in Moscow"]

[Text] Moscow, April 19 (XINHUA)—The Palestinian President Yasir 'Arafat held a series of talks with Russian leaders here on Tuesday [19 April], focusing on the Middle East situation, the Palestinian-Israeli settlement and bilateral relations.

His talks with Russian President Boris Yeltsin, Foreign Minister Andrey Kozyrev, State Duma (the lower house of the parliament) speaker Ivan Rybkin and Interior Minister Viktor Yerin resulted in signing of an agreement on furthering bilateral political, economic and



cultural cooperation. 'Arafat, also chairman of the executive committee of the Palestine Liberation Organization (PLO), arrived in Moscow on Monday evening for a two-day working visit to Russia.

During the meeting with the PLO leader, Yeltsin stressed that "comprehensive and just peace in the Middle East remains a Russian strategic priority in the region vitally important for Russia," the ITAR-TASS News Agency said.

The Russian president told 'Arafat that he is satisfied with the on-going Israeli-Palestinian negotiations to overcome confrontation and build a solid peace infrastructure despite all difficulties.

He reaffirmed Moscow's firm intention as a co-sponsor of the Mideast peace process to render comprehensive assistance to further progress at Arab-Israeli negotiations.

'Arafat praised Russia's contribution to the Mideast peace process and achievement of positive results in the Arab-Israeli dialogue.

Russia's diplomatic efforts has played a considerable role in settling difficulties aroused from the Hebron tragedy in February and in implementing measures to consolidate Palestinian security in occupied lands contained in the UN Security Council's Resolution 904, 'Arafat said.

He also thanked Russia for its readiness to help Palestinians in the establishing of self-rule administration in the Gaza Strip and Jericho area, the ITAR-TASS said.

At a news conference following the talks, Russian Foreign Minister Kozyrev said the Moscow talks is the continuation of the Russian-Palestinian dialogue which has been for several years and Moscow is "determined to eliminate all obstacles on the way towards comprehensive settlement" in the Middle East.

He also told reporters that he had assured the PLO leader of Russia's support to the PLO course against extremists and said the Palestinian and Russian leaders keep a constant contact via Yeltsin's special envoy Viktor Posvalyuk and regular exchange of notes.

'Arafat described his Moscow trip as "the most important one." he and Kozyrev discussed ways to overcome obstacles in fulfillment of the Palestinian-Israeli peace accord on Gaza Strip and Jericho.

The PLO leader reminded that Israeli troops' withdrawal from Gaza Strip and Jericho expired on April 13 but nothing has been changed. He warned that the only alternative to peace is anarchy and "Balkanization" of the region.

'Arafat is scheduled to leave Moscow on Wednesday after meeting with Russian Prime Minister Viktor Chernomyrdin.

## United States & Canada

### NPC Deputy Criticizes U.S. Consulate Statement on Xi Yang

HK2004061194 Hong Kong LIEN HO PAO in Chinese  
20 Apr 94 p 1

[Report by Kuo Yu-lan (6753 3768 5695) in Hong Kong: "U.S. Consulate Statement Regrets Action That Stifles and Threatens Press Freedom"]

[Excerpts] The U.S. Consulate in Hong Kong issued a statement yesterday, commenting on Xi Yang for the first time. The statement said that Xi merely used customary and reasonable professional means to gather news, but the sentence given to him was far out of proportion to the acts he allegedly committed. [passage omitted]

In response to the U.S. Consulate statement, Cheng Yiu-tong, a deputy to the National People's Congress [NPC], said that each country has its own judicial system, which brooks no "indiscreet remarks" from other countries. Similarly, if Beijing had made similar remarks about the U.S. judicial system, it would probably lead to "great disorder under heaven."

Cheng said that the statement would complicate the matter rather than help Xi Yang, because Beijing may further tighten its policies in this regard. Moreover, the United States has politicized the issue. He asked: The United States also has a record of arresting Soviet spies—why haven't they made this public? [passage omitted]

### MOFTEC Minister Hopes 'Reason' to Prevail in MFN Issue

OW1904212694 Beijing XINHUA in English 2103  
GMT 19 Apr 94

[Text] New York, April 19 (XINHUA)—Sino-U.S. trade has made satisfying progress despite of conflicts, Wu Yi, visiting Chinese minister of foreign trade and economic cooperation (MOFTEC) said here today.

Presenting a key-note speech at the Asia Society this morning, Wu noted that trade between China and the United States increased by 20 percent annually.

Despite the troubles and conflicts in the process of Sino-U.S. trade and economic relations, the general trend has been developing and going forward, she added.

According to the minister, the two way trade between China and the United States valued at 27.65 billion U.S. dollars, increasing 11-folds over 1979 and the U.S. by far was the largest investor in China with committed investment of 11 billion dollars in over 10,000 projects.

"It is worth noting that about 50 of the fortune 500 companies have made investment in China and their investment tend to be large in size and have higher level of technology content," Wu said at the China-U.S. trade and investment seminar.

On the most favored nations (MFN) status, a topic concerned by all, Wu stressed that there was no problem on the part of China, but the U.S. annual review on China's MFN status had added considerable uncertainty to the business communities in the two countries.

While praising more and more Americans of vision who were in favor of de-coupling human rights with MFN, Wu expressed her hope that reason would prevail so that this issue could be solved once and for all.

"If otherwise the basis for Sino-U.S. trade and economic relations were ruined, both sides would suffer, the biggest loser would not be China, but rather U.S. business community and the vast U.S. consumers," she emphasized.

Economies of the two countries were very complementary to each other, Wu said, adding that to develop trade and economic relationships between the two countries was not only in the fundamental interest of the two nations, but also beneficial to the prosperity and stability of the Asia-Pacific region and throughout the world.

Ye Qing, vice chairman of China's State Planning Commission and Jiao Sufen, director general of the Department of Foreign Investment of MOFTEC, also made speeches on business opportunities in China.

About 300 people, most of whom are businessmen from U.S. big companies, attended the seminar.

#### **Trade Minister Views 'Frictions' in Sino-U.S. Cooperation**

OW2004100794 Beijing XINHUA Domestic Service in Chinese 0835 GMT 19 Apr 94

[By reporter Zhao Renfang (6392 0088 2455)]

[Text] New York, 19 Apr (XINHUA)—Wu Yi, Chinese minister of foreign economic relations and trade cooperation, said today [19 April] that Sino-U.S. trade can be described as "proceeding with friction" because trade between the two countries has been growing at an annual rate of 20 percent despite the frictions and contradictions in Sino-U.S. trade.

Wu Yi made the statement at the "Symposium on Sino-U.S. Trade and Investment" sponsored by the Asia Association here. She said: Bilateral Sino-U.S. trade has been developing very quickly. The volume of trade between the two countries has grown more than 10 times, reaching \$27.65 billion in 1993 from \$2.4 billion in 1979. There are now 12,000 U.S. enterprises in China. Of the \$11 billion the United States agreed to invest in China, \$5.2 billion has actually been invested in China and used by China. The United States has become the largest investor in China.

Commenting on China's most-favored-nation status, Wu Yi emphatically pointed out that the yearly discussion of this issue has created an enormous sense of instability for Sino-U.S. economic relations and trade. She said associating trade with issues having nothing to do with trade is

"extremely unwise" [fei chang bu ming zhi 7236 1603 0008 2494 2535] and "lacks strategic foresight."

Wu Yi urged the U.S. Government to act pragmatically, weigh the advantages and disadvantages, do away with artificial barriers, and properly resolve this problem so that Sino-U.S. economic relations and trade can proceed steadily and in a healthy manner.

Wu Yi attended the symposium in New York after attending a meeting of the Eighth Sino-U.S. Joint Committee for Commerce and Trade in Washington. Over 300 representatives from U.S. business circles attended today's symposium. Taking the floor at the symposium, Ye Qing, vice minister in charge of the Chinese State Planning Commission, and Jiao Sufen, director of the Department of Investment under the Ministry of the Foreign Economic Relations and Trade Cooperation, briefed those in attendance about China's future development and investment.

#### **China Hopes 'Old Friend' Richard Nixon To Recover Soon**

HK2004080094 Hong Kong AFP in English 0726 GMT 20 Apr 94

[Text] Beijing, April 20 (AFP)—China said Wednesday [20 April] it hoped former US President Richard Nixon, whose historic 1972 visit here paved the way for the restoration of Sino-US ties, would recover soon from a severe stroke. "Nixon is an old friend of the Chinese people. He has made positive contributions to the development of Sino-US relations," a Foreign Ministry spokeswoman said. "We hope Mr. Nixon will recover soon," she said.

The 81-year-old former president was rushed back into intensive care in a New York hospital as his condition deteriorated late Tuesday after suffering a stroke that left him partially paralysed. "There are potentially poor outcomes. His prognosis is guarded," Dr. Fred Plum told reporters at the hospital.

Nixon's 1972 visit, during which he met with late chairman Mao Zedong, opened the door to the establishment of full Sino-US diplomatic relations seven years later. Washington had previously refused to recognise the communist regime which came to power here in 1949, instead maintaining ties with the Nationalist government that had fled to Taiwan after losing the civil war on the mainland. Nixon has since maintained close contacts with China, visiting the country several times.

#### **Vice Premier Zou Jiahua Invites Canadian Investment**

OW1904233194 Beijing XINHUA in English 2321 GMT 19 Apr 94

[Text] Vancouver, Canada, April 19 (XINHUA)—Chinese Vice Premier Zou Jiahua today called on Canadian businessmen and financiers to take a long view into the future, seize the opportunity and move swiftly to invest in China through fair competition.

Zou made the call at a luncheon given jointly by Canadian Asia-Pacific Foundation and Canada-China Business Council here in his honor.

The vice premier, who arrived here on Monday for a 10-day official visit, said Sino-Canadian economic and technological cooperation is presented with a new opportunity.

He said the two countries should open new areas for cooperation apart from the traditional ones.

Canada is strong in transportation, telecommunications, energy, electricity, mining, agriculture and forestry, and these are exactly the priority areas for development in China, he told about 250 Canadian businessmen and government officials.

Zou said the Chinese government always attaches great importance to its relations with Canada and believes that stronger Sino-Canadian ties will work in the fundamental interests of both peoples and contribute to peace, stability and economic prosperity of the Asia-Pacific region and the world at large.

He said China's door is sure to open even wider and an all-directional pattern of openness linking the coast with the hinterland across China is taking shape.

The Western countries have advanced technologies and management know-how, abundant capital and experienced managers, Zou said, adding that China on the other hand has rich natural resources, a labor force of low cost, a considerable economic foundation thanks to several decades of reconstruction and above all, a huge market.

He said that more economic and technological interflows aimed at a long-term cooperation, therefore, could contribute to mutual complementarity of comparative advantage of the two sides for common prosperity.

On the form of cooperation, Zou said, it can take many forms. "trade with us is certainly welcome. But we also hope to see more business people with acumen come to China to invest and set up their own factories, to enter into partnership with Chinese enterprises, or to transfer technology, and explore China's market," he added.

The vice premier pledged that China's investment environment will keep improving and the legitimate rights and interests of foreign investors will be better protected under Chinese law.

Zou said in 1993 alone, foreign investment actually used in China reached 36.77 billion U.S. dollars, up by 91.5 percent over the previous year, in which direct foreign investment reached 25.76 billion U.S. dollars, up by 130 percent.

The investment environment in China, Zou said, is improving. There is more order in the financial and circulation fields and signs of an economic overheating have been brought under control after the government

introduced last June a series of measures aimed at tightening and improving macro-economic regulation.

"This year, in face of greater inflation pressure and the quick rise of the aggregate price level, we are stepping up measures to control the excessive increase in investment in fixed assets and consumption funds and to reinforce supervision and examination of prices," the Chinese vice premier said.

**Minister Says Los Angeles Trade Fair 'Successful'**  
OW1904223694 Beijing XINHUA in English 2230  
GMT 19 Apr 94

[Text] New York, April 19 (XINHUA)—China-U.S. Trade and Investment Fair held at Los Angeles has been successful, according to Wu Yi, visiting Chinese minister of foreign trade and economic cooperation (MOFTEC).

Addressing the China-U.S. Trade and Investment Seminar at the Asia Society here today, Wu said that the two countries have signed contracts worth of 1.3 billion U.S. dollars and 134 agreements valued at 4 billion dollars in the fair.

The trade and investment fair is continued here in New York for another three days, starting this afternoon.

Wu noted that she hoped the fair will also have a greater breakthrough than that in Los Angeles.

The trade fair, which was deemed as the largest of its kind held in the United States, began on April 11 in Los Angeles. Representatives from 26 Chinese provinces, and municipalities and eight ministries and commissions of the central government have brought with them over 800 projects to the United States.

Briefing economic development, especially foreign trade and business growth in China, the minister noted that for the past 15 years, China's foreign trade grew faster than its GDP. The foreign trade volume last year stood at 195.8 billion U.S. dollars, making China the 11th largest trading nation in the world.

She added that foreign direct investment in China has registered rapid development with the number of foreign invested enterprises reaching 170,000 and the actual foreign investment in China totaling 60 billion dollars.

On China's import volume last year, she said it amounted to 104 billion dollars. "Based on this, China's total import volume for the next seven years will top 1,000 billion dollars," she predicted.

### Central Eurasia

**Li Peng, Uzbekistan President Hold Talks 19 Apr**  
OW1904110194 Beijing XINHUA in English 1034  
GMT 19 Apr 94

[Text] Tashkent, April 19 (XINHUA)—Visiting Chinese Premier Li Peng and Uzbek President Islam Karimov



had a wide-ranging and in-depth exchange of views this morning on bilateral, regional and international issues of mutual concern.

At their formal meeting, Karimov said that with Li's visit, the Uzbek-Chinese ties have entered "a new stage of maturity," according to a Chinese spokesman.

Central Asia, where Uzbekistan is located, represents a huge market with vast potentials, Karimov said, adding that expansion of business contact between Uzbekistan and China is in line with the fundamental interests of the two peoples, and is conducive to regional stability and prosperity as well.

Along with efforts to develop trade and economic cooperation, the two countries should also strive to expand exchanges in cultural and other fields, he said, adding that he expects Li's visit to "strongly boost the growth of bilateral ties."

Li, meanwhile, praised President Karimov's contributions to the growth of relations between the two countries.

On bilateral trade and economic cooperation, Li described the successful Sino-Uzbek joint ventures here as "only a beginning," he invited entrepreneurs of Uzbekistan to go to China for study tours as a way to forge a more comprehensive cooperation.

The Chinese premier said he was satisfied with the wide-ranging contact and with the agreements or letters of intent signed between the two sides in the past two days. A delegation of leading Chinese businessmen is traveling with the premier.

On regional issues, Li said the development of China's relations with Central Asian nations would not affect its ties with other nations of the Commonwealth of Independent States (CIS), including Russia.

"We hope the CIS nations would maintain friendly relations and work together for regional stability and development," he added.

Li noted that China and Uzbekistan, which have no fundamental conflict of interests, share identical or similar views on many major international issues.

"Therefore, the development of our bilateral relations enjoys a comprehensive basis," he said.

"China is ready to have regular exchange of views or consultations on regional and international issues with Uzbekistan so as to enhance mutual understanding and trust," he said.

Li said he believed that Uzbekistan would succeed in revitalizing its national economy although it might encounter some "temporary difficulties."

During the talks, the premier, on behalf of Chinese President Jiang Zemin, also extended invitation to Karimov to visit China again later this year.

Uzbekistan is the first leg of Li's 12-day five-nation tour which will also take him to Turkmenistan, Kyrgyzstan, Kazakhstan and Mongolia.

### **Beijing, Tashkent Sign Agreements on Cooperation**

OW1904112894 Beijing XINHUA in English 1106  
GMT 19 Apr 94

[Text] Tashkent, April 19 (XINHUA)—China and Uzbekistan signed four agreements this morning on bilateral cooperation aiming at boosting economic development between the two countries.

Premier Li, who is in Tashkent on a seven-day official visit, and President Islam Karimov attended the signing ceremony of these documents.

These include an agreement on the Chinese Government providing loans to the Government of Uzbekistan, the Sino-Uzbek agreement on civil aviation, an exchange of notes on China presenting a batch of materials to Uzbekistan and an agreement on cooperation between China Council for the Promotion of International Trade and Uzbekistan's Ministry of Foreign Economic Relations.

In the past two days, the Chinese entrepreneurs traveling with Li signed with Uzbek businesses several agreements and letters of intent on cooperation in the fields of construction, petroleum, metallurgy, textiles, paper-making and electronics.

Under these agreements, China will purchase not only 20,000 tons of cotton from Uzbekistan next year but also 20,000 tons of cotton velvet annually from the country in the future.

The two sides also agreed to set up a paper-making joint venture and an assembly line for household electric appliances in the Central Asian country.

### **Li Peng, Karimov Witness Signing**

OW1904123794 Beijing XINHUA Domestic Service in Chinese 1133 GMT 19 Apr 94

[By reporter Ju Mengjun (0215 1322 6511)]

[Text] Tashkent, 19 Apr (XINHUA)—Responsible persons of the Chinese and Uzbek departments concerned 19 April signed four documents at the Friendship Palace. Premier Li Peng and President Karimov attended the signing ceremony.

These documents include the Sino-Uzbek agreement on civil aviation, an agreement on the Chinese Government providing loans to the Government of Uzbekistan, an agreement on cooperation between the China Council for the Promotion of International Trade and the Uzbek Ministry of Foreign Economic Relations, and an exchange of notes on the Chinese Government presenting a batch of materials to Uzbekistan.

After the signing ceremony, Premier Li Peng and President Karimov fielded questions from Uzbek and Chinese reporters. Premier Li Peng gave a positive evaluation of the just concluded talks between the leaders of the two countries, noting that there are broad prospects for bilateral relations. He said China and Uzbekistan will build a new "Silk Road" for forging even closer and broader ties than those between the forefathers of the two countries. He asked the local mass media to convey his tribute and gratitude to the citizens of Tashkent and the whole Uzbekistan as well.

President Karimov spoke highly of China's achievements in reform and rapid economic development, adding that China is a great country which is capable of playing a major role in maintaining the stability of Asia, including the Central Asian region.

### Li Peng Addresses Uzbekistan Parliament

OW2004040994 Beijing XINHUA Domestic Service in Chinese 1719 GMT 19 Apr 94

[Text] Tashkent, 19 Apr (XINHUA)—Visiting Chinese Premier Li Peng delivered a speech this afternoon at the Uzbekistan Parliament to hundreds of parliament members, government officials, and notable figures from various circles. In the speech, he dwelled on Sino-Uzbekistan relations, China's basic policy for developing ties with Central Asia, its position on establishing a new world political and economic order, and other major issues. He also gave a brief account of China's domestic situation and foreign policy.

President Karimov of Uzbekistan was present.

Li Peng said: President Karimov and leaders of other Central Asian nations have visited China in the past two years or so. I have now embarked on a tour of our good neighbors Uzbekistan, Turkmenistan, Kyrgyzstan, and Kazakhstan at the invitation of the leaders of these Central Asian nations, bringing with me the friendship of the Chinese people. Such frequent exchanges of visits between the leaders of China and the Central Asian nations is unprecedented in history and signifies that relations between China and the Central Asian nations have entered a new era.

China and Uzbekistan are good neighbors. The two countries shared many similarities in the past and do so today. The ancient silk road once linked the two nations closely together. Today, both of our nations are concentrating on building their own countries; they both want a long-term stable international environment; and they both want to develop equal and mutually beneficial cooperation and establish long-term, stable good-neighborly relations. I believe that through this visit, the two nations will certainly enhance mutual understanding and step up cooperation. This will undoubtedly further boost the ongoing friendship between the two nations.

Li Peng said: The friendship between the Chinese people and their counterparts in Central Asia dates back to ancient times. Today, with increasing contact with the

rest of the world, the Central Asian nations are writing new chapters in promoting common development and friendly exchanges between Asia and Europe. China attaches great importance to its relations with the Central Asian countries and with them, we are willing to work to build a new silk-road, with a perspective toward the future and the next century. China's basic policy on developing relations with the Central Asian nations can be summarized in the following four points:

First, maintaining good-neighborly relations and peaceful coexistence. China and the Central Asian nations are close neighbors, some sharing common borders. It is the shared desire of the Chinese and Central Asian peoples to be friendly neighbors, for it serves our fundamental interests. As the Chinese people are concentrating on building their own country, they need a long-term stable and peaceful international environment, a good surrounding environment in particular. We have always cherished good will toward the Central Asian peoples, and will remain your good friends and neighbors forever. China seeks no self-interest or sphere of influence in the world, including this region. Even when China becomes more developed or prosperous in the future, it will never seek hegemonism or power politics. Instead, China will always maintain equal and friendly relations with its neighbors. You can be fully confident that no matter what happens in the world, China will not change this policy. We keep our word.

Second, promoting equality and mutually beneficial cooperation and seeking common prosperity. Economic cooperation and trade are an important aspect of our bilateral relations. A good beginning has already been made in this regard, but there is still a lot that can and should be done. In developing economic cooperation with the Central Asian nations, China strictly abides by the principle of equality and mutual benefit, and attaches no political conditions. We would like to work with all the Central Asian countries to constantly improve the environment, expand the scope and enhance the quality and level of cooperation, and with mutual benefit, march along the path of common development.

Third, respecting the independent choice of the Central Asian peoples and never interfering in their internal affairs. As the world is diversified, the national conditions of the Central Asian nations differ from each other. There has never been and can never be a unified mode of development that suits the realities of all countries. We believe that the Central Asian nations, just like China and other countries in the world, are entitled to independently choose the social system, concept of values, and path of development compatible with their national conditions. It is our conviction that the Central Asian nations are fully capable of and have the wisdom to handle their own matters well.

Fourth, respecting other countries' independence and sovereignty, and contributing to regional stability. China sincerely hopes to see the maintenance of long-term



peace and stability in central Asia. We appreciate and support all efforts made by central Asian countries to safeguard their independence and sovereignty, promote regional peace and stability, and enhance friendship and cooperation among nations. The development of our relations with any Central Asian nation is not directed against any third country, and we are willing to see the Central Asian countries living in harmony with each other. China is also ready to develop friendly relations with all countries in the world, particularly neighboring nations, including Russia and other CIS countries. The development of Central Asian nations depends on world peace and stability, while the world needs a stable and prosperous Central Asia.

Speaking of the world situation today, Li Peng said: On the whole, the world is still locked in complicated and profound changes. Therefore, the establishment of a new international political and economic order represents the urgent desire of all the peoples in the world. The new international political and economic order we advocate is different in essence from the old order which was marked by hegemonism and power politics. We believe such a new order includes many contents, but its core is as follows:

- In handling international relations, the principles of mutual respect for territorial integrity and sovereignty, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence should be strictly followed.
  - The right of different nations to choose the social system and mode of development compatible with their national conditions should be respected.
  - All nations, big or small, strong or weak, rich or poor, are entitled to participate in international affairs, which should not be determined by one or several big countries.
  - Disputes between nations should be settled in a fair and reasonable way through peaceful negotiations, in the spirit of equal consultation, mutual understanding, and mutual accommodation. When conditions are not ripe, disputes can be shelved temporarily, in an effort to seek common ground while reserving differences. Disputes over some issues should not hamper the development of normal nation-to-nation relations.
  - Trade and economic cooperation should be conducted in line with the principles of equality, mutual benefit, and exchange of equal values. Developed nations face unshirkable responsibilities for gradually reducing the gap between the North and South.
- Li pointed out: The establishment of a new political and economic order of the world is a long-term and arduous task. We are ready to work unremittingly toward that, along with all countries in the world.

In his speech, Li Peng also gave a brief account of China's domestic situation. Under the guidance of Comrade Deng Xiaoping's—the chief architect of China's

reform and opening up—theory on building socialism with Chinese characteristics, China has made remarkable progress in reform, opening up, and the modernization drive since the late seventies. From 1979 to 1993, China's economy grew at an average annual rate of 9 percent or more. As living standards improved in both urban and rural areas, our cause has gained the general and whole-hearted support of the people. China is now enjoying economic growth, political stability, national unity, and social progress. Under the leadership of the CPC Central Committee with Comrade Jiang Zemin at its core, the whole nation, full of confidence, is marching continuously along the path of building socialism with Chinese characteristics.

In conclusion, Li Peng said: China's development requires a lasting stable domestic environment and an international environment of long-term peace and stability, especially a good environment in its neighborhood. Today, mankind is marching toward a new century. For the bright future of China and the world at large, China will make every effort to manage its own affairs well; unswervingly pursue an independent foreign policy of peace; develop friendly relations and cooperation with all countries, especially neighboring nations, on the basis of the five principles of peaceful coexistence; and make a new contribution to peace, stability, and development in Asia and the world as a whole.

#### Emphasizes 4-Point Policy

OW1904161494 Beijing XINHUA in English 1600  
GMT 19 Apr 94

[Text] Tashkent, April 19 (XINHUA)—Chinese Premier Li Peng, delivering a speech at the parliament of Uzbekistan here this afternoon, stated a four-point basic policy of the Chinese Government for developing relations with Central Asian nations.

Li, referring to the frequent exchange of visits between leaders of China and Central Asian nations, said "this signifies that relations between China and Central Asian nations have entered a new era."

The friendship between the Chinese people and their counterparts in Central Asia dates back to ancient times, he said.

"The Central Asian countries, as a main passage along the silk-road, contributed significantly not only to brisk commercial and cultural exchanges between Asia and Europe, but also to the advancement of civilization and progress of mankind," Li added.

Today, with increasing contact with the rest of the world, the Central Asian nations are "writing new chapters" of promoting common development and friendly exchanges of Asia and Europe, he said.

China attaches great importance to its relations with Central Asian countries and, together with them, "we are



willing to work for the building of a new silk-road, with a perspective towards the future and the next century," Li said.

Li summed up China's basic policy on developing relations with the Central Asian nations in four points.

The first point is "maintaining goodneighborly relations and peaceful coexistence."

China and Central Asian nations are close neighbors, with some sharing common borders, Li noted. "it is the shared desire of the Chinese and Central Asian peoples to be friendly neighbors, for it serves our fundamental interests."

"As the Chinese people are concentrating on building up their own country, they need a long-term stable and peaceful international environment, a good surrounding environment in particular," he said.

"We have always cherished a good will towards the Central Asian peoples, and will remain your good friends and neighbor forever," he noted.

China seeks no self-interests or sphere of influence in the world, including this region, Li stated. "Even when China becomes more developed or prosperous in the future, it will never seek hegemonism or power politics, either. Instead, China will always maintain equal and friendly relations with its neighbors."

"You can be fully confident that no matter what happens in the world, China will not change this policy," he said, stressing that "we keep our words."

The second point is "promoting cooperation of equality and mutual benefit and seeking common prosperity."

"Economic cooperation and trade are an important aspect of our bilateral relations," Li said, adding that "a good beginning has already been made, but much more remains to be done."

In developing economic cooperation with the Central Asian nations, China strictly abides by the principle of equality and mutual benefit, and attaches no political conditions, the Chinese premier said.

"We would like to work with all the Central Asian countries to constantly improve the environment, expand the scope and enhance the quality and level of cooperation, and with mutual benefit, march along the path of common development," he said.

The third point of the policy is "respecting the independent choice of the Central Asian peoples and never interfering in their internal affairs."

As the world is diversified, the national conditions of the Central Asian nations differ from each other, Li noted.

"There has never been and can never be a unified mode of development that suits the realities of all countries," he said. "We believe that the Central Asian nations, just like China and other countries in the world, are entitled

to independently choose the social system, concepts of values and path of development compatible with their national conditions."

He expressed the conviction that the Central Asian nations are fully capable of "handling well their own matters."

The fourth point Li stated is "respecting other countries' independence and sovereignty and contributing to regional stability."

China sincerely hopes to see the maintenance of long-term peace and stability in central Asia, Li said. "We appreciate and support all efforts made by central Asian countries to safeguard their independence and sovereignty, promote regional peace and stability, and enhance friendship and cooperation among nations."

"The development of our relations with any Central Asian nation is not directed against any third country, and we are willing to see the Central Asian countries living in harmony with each other," he said.

Also, China is ready to develop friendly relations with all countries in the world, particularly the neighboring nations, including Russia and other CIS countries, Li said.

"The development of Central Asian nations depends on world peace and stability, while the world needs a stable and prosperous Central Asia," he said.

#### States PRC View of 'New World Order'

OW1904162894 Beijing XINHUA in English 1616  
GMT 19 Apr 94

[Text] Tashkent, April 19 (XINHUA)—Chinese Premier Li Peng, delivering a speech at the parliament of Uzbekistan here this afternoon, stated what China considers the main content of a new world order.

The world is moving toward multi-polarity and the Chinese Government holds that such a trend is of positive significance, he said.

"It is the common aspiration of people throughout the world to preserve peace, strengthen cooperation and promote development," he noted.

"However, we should also be aware that some problems left over from the Cold War era remain to be resolved, while many new conflicts and contradictions continue to crop up, leaving the world far from peaceful," he added.

Also, many developing countries are becoming poorer, he pointed out. "The issue of world peace is yet to be addressed, while the problem of development is even more glaring," he said.

On the whole, the world is still locked in complicated and profound changes, he said. "Therefore, the establishment of a new international political and economic order represents the urgent desire of all the peoples in the world."

"The new international political and economic order we advocate is different in essence from the old order which was marked by hegemonism and power politics," he said.

Li said, "we believe such a new order includes many contents, but its core is as follows:

- In handling international relations, the principles of mutual respect for territorial integrity and sovereignty, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence should be strictly followed.
- The right of different nations to choose the social system and mode of development compatible with their national conditions should be respected.
- All nations, big or small, strong or weak, rich or poor, are entitled to participate in international affairs, which should not be determined by one or several big countries.
- Disputes between nations should be settled in a fair and reasonable way through peaceful negotiations, in the spirit of equal consultation, mutual understanding and mutual accommodation.

When conditions are not ripe, disputes can be shelved temporarily, in an effort to seek common ground while reserving differences. Disputes over some issues should not hamper the development of normal nation-to-nation relations.

- Trade and economic cooperation should be conducted in line with the principles of equality, mutual benefit and exchange of equal values. Developed nations face unshirkable responsibilities for gradually reducing the gap between the North and the South, or between developed and developing nations.

Li called the establishment of a new political and economic order of the world "a long-term and arduous task," saying "we are ready to work unremittingly towards that, along with all countries in the world."

#### Further on New World Order

OW1904163494 Beijing XINHUA in English 1621  
GMT 19 Apr 94

[Text] Tashkent, April 19 (XINHUA)—Visiting Chinese Premier Li Peng today delivered a speech at the parliament of Uzbekistan on Sino-Uzbekistan relations, China's basic policy towards Central Asia and its position on establishing a new world order.

During his speech, Li also gave a brief account of China's reform and open policy, as well as its efforts to build up a socialist market economy.

"The fundamental purpose of China's economic development is to improve the quality of the life of the entire Chinese people both materially and morally," he said.

China remains a developing country and its people are not better-off yet, he said. "It takes arduous efforts of many generations for my country to reach the economic level of an average developed country."

China's development requires a lasting stable domestic environment and an international environment of long-term peace and stability as well, especially a good environment in its neighborhood, he said.

"For a bright future of China and the world at large, China will make every effort to manage its own affairs well, unswervingly pursue an independent foreign policy of peace, develop friendly relations and cooperation with all countries, especially the neighboring nations on the basis of the five principles of peaceful coexistence, and make a new contribution to peace, stability and development in Asia and the world as a whole," he said.

**Li Peng Tours Aircraft Plant in Tashkent 20 Apr**  
OW2004090594 Beijing XINHUA in English 0838  
GMT 20 Apr 94

[Text] Tashkent, April 20 (XINHUA)—Visiting Chinese Premier Li Peng toured a local aircraft production corporation here this morning.

He was accompanied by Uzbek President Islam Karimov to the plant which is named after aher V.P. Chkalov, a test-flight pilot of the plant in the 1930s.

During the visit, the Chinese premier mounted two planes, an IL-114 and an IL-76, for a close look at the latest products of the 62-year-old aircraft corporation, one of the largest in the former Soviet Union.

China is cooperating with this aircraft company. Last February saw the delivery of seven IL-76 heavy airfreighters to China under a contract signed last year.

Li is in Tashkent on a three-day official visit which ends later today.

#### News Communique Issued on Li Peng's Visit to Uzbekistan

OW2004094394 Beijing XINHUA Domestic Service in Chinese 0826 GMT 20 Apr 94

[Text] Tashkent, 20 Apr (XINHUA)—At a time when Premier Li Peng is about to conclude his visit to Uzbekistan, the Chinese side today issued a news communique on the results of the visit.

The communique says: Premier Li Peng held talks with Uzbekistan President Karimov. Under the atmosphere of friendship, mutual understanding and trust, the two leaders conducted an in-depth exchange of views on developing bilateral relations and on regional and international issues in which the two sides were interested, and they informed one another on their respective countries' social, political, and economic situations. The two sides have expressed satisfaction over the talks.

The two sides are satisfied with the development of cooperation in the political, economic and trade, and



cultural spheres since the establishment of diplomatic relations between the two countries; and they are willing to broaden and deepen their cooperation in these spheres.

The news communique says: The two sides maintain that it is in the fundamental interests of the peoples of the two countries and in the interests of Asian peace, stability, and development for China and Uzbekistan to abide by the five principles for peaceful coexistence; and maintain and develop their longstanding, stable, good neighborly, reciprocal, and cooperative relations. The two sides will continue to work toward this end.

The two sides agree to further develop the two countries' economic and trade cooperation, including direct liaison between local authorities and between enterprises, perfect the legal foundation and economic infrastructures, and strive to create even better conditions for the development of all forms of economic and trade cooperation between the two sides. The two sides will strengthen their cooperation in building a modern Silk Road. The two sides agree to consult one another on issues of expanding the two countries' air, railroad, and highway transportation capacity so that bilateral or multilateral accords can be drawn up.

The communique says: The two sides maintain that, on the whole the situation in the Asia-Pacific Region is heading toward the direction of relaxation and stability, and the maintenance of peace and stability in Asia is in line with the common interests of this region and countries of the world. The two sides express willingness to work hard for safeguarding Asian peace and security in light of Asia's situation and characteristics. The two sides are positive toward multilateral economic cooperation in Asia.

The two sides hold that political stability and economic development in Central Asian countries not only are in the fundamental interests of the people in the countries of that part of the world, but also are important for helping to safeguard peace in Asia and the world as a whole. The Chinese side appreciates President Karimov's good wishes to strengthen Central Asia's security and stability, and supports the Uzbekistan Government's efforts to consolidate the domestic and regional situations as well as to develop the national economy.

The communique adds: The two sides hold that it is of great significance for the leaders of the two countries to maintain regular contacts and exchanges. The two sides agree to continue to strengthen these contacts and exchanges. On behalf of President Jiang Zemin, Premier Li Peng invited President Karimov to visit China again, and President Karimov accepted the invitation with pleasure.

#### **Agree To Expand Economic Cooperation**

OW2004095994 Beijing XINHUA in English 0935  
GMT 20 Apr 94

[Text:] Tashkent, April 20 (XINHUA)—China and Uzbekistan have agreed to further expand their trade

and economic cooperation, according to a press communique released here today at the end of Chinese Premier Li Peng's three-day official visit to Tashkent.

The communique says that the cooperation will include direct links between localities and enterprises of the two countries.

The two sides will perfect the legal basis and economic infrastructure in this aspect, and strive to create better conditions for diversified forms of trade and economic cooperation, says the communique.

They have agreed to hold consultations on expanding the capacities of transportation by aviation, railways and highways, with a view to drawing up bilateral or multilateral agreements in this regard, it says.

During the visit, Premier Li and Uzbek President Islam Karimov held talks on furthering bilateral relations and on regional and international issues of mutual concern, and briefed each other on social, political and economic situation of their own countries.

The two sides have expressed satisfaction with the results of the talks and are willing to further cooperation in political, economic, trade, cultural and other fields, according to the communique.

They have also pledged to strictly abide by the five principles of peaceful co-existence, and develop long-term friendly relations of mutually beneficial cooperation, which they say is in line with the fundamental interests of the two peoples, and conducive to peace, stability and development of Asia.

Both sides hold that the situation in the Asia-Pacific is developing towards relaxation and stability in general, and maintaining peace and stability in Asia conforms with the common interests of this region and other parts of the world as well.

They are also willing to work for the safeguarding of peace and security in Asia in the light of the conditions and characteristics of Asia, the communique says.

Political stability and economic development of Central Asian nations not only conform with the fundamental interests of the peoples in this region, but are also of great significance to the peace in Asia and the world at large, it adds.

In the communique, the Chinese side appreciates the wish expressed by President Karimov on strengthening security and stability in Central Asia, and supports efforts made by the Government of Uzbekistan to consolidate domestic and regional situation and to develop national economy.

The two sides have also agreed to continue their frequent contacts and exchange of visits between leaders of the two countries.

In this regard, Premier Li, on behalf of President Jiang Zemin, has invited President Karimov to revisit China and Karimov has accepted the invitation.



Uzbekistan issued a similar press communique today on Li's visit.

Premier Li is scheduled to leave here this afternoon for Ashkabad on an official visit to Turkmenistan, the second leg of his five-Asian-nation tour which will also take him to Kyrgyzstan, Kazakhstan and Mongolia.

### **Shandong Reveals Substandard Quality of Russian Imports**

SK2004070294 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 19 Apr 94

[Text] According to the data provided by the provincial commodity administration bureau, Shandong has encountered serious problems in importing Russian commodities. In 1993, the provincial commodity administration bureau inspected 462 tonnes of commodities worth over \$82 million imported from Russia. Of these commodities, 69 lots of them worth over \$12 million were appraised as substandard in the inspection. Of the Russian commodities imports, particularly serious problems cropped up in imported fertilizer, timber, steel products, and automobiles. Major problems cropping up in the imported fertilizer and timber were that of being short in weight and length measures as well as substandard quality. General problems cropping up in the imported automobiles from Russia were three leakages, frequent mechanical failures, and unsuitable-size engines for the cars. The provincial commodity administration bureau is adopting effective measures to strictly guarantee the quality of Russian commodities imports to safeguard the vital interests of the country and enterprises.

### **Northeast Asia**

### **Spokesman Expresses 'Regret' Over Dalai Lama's Japan Visit**

OW1904135994 Beijing XINHUA in English  
1350 GMT 19 Apr 94

[Text] Beijing, April 19 (XINHUA)—A Chinese Foreign Ministry Spokesman here today expressed regret about the recent permission by the Japanese Government to allow the Dalai Lama to pass through Japan and carry out illicit political activities there.

"We oppose the Dalai Lama, by any status, going in for political activities in other countries, to disrupt China's integrity and its national unity," said the spokesman.

He said that China regrets that the Japanese Government, in disregard of the representations of the Chinese Government, recently allowed the Dalai Lama to pass through the territory of Japan and conduct illicit political activities.

### **NPC Leader Meets Japanese Cultural Delegation 19 Apr**

OW1904131094 Beijing XINHUA in English  
0924 GMT 19 Apr 94

[Text] Beijing, April 19 (XINHUA)—Cheng Siyuan, vice-chairman of the National People's Congress (NPC) Standing Committee, met here this afternoon with a delegation of the Japan-China Cultural Exchange Association headed by noted Japanese writer Mizukami Tsutomu.

The delegation arrived in Beijing Monday [18 April] as guests of the Chinese People's Friendship Association With Foreign Countries.

### **Japan's Watanabe To Remain With LDP**

OW1904130194 Beijing XINHUA in English  
1136 GMT 19 Apr 94

[Text] Tokyo, April 19 (XINHUA)—Former Foreign Minister Michio Watanabe said today he has dropped his attempt to leave the main opposition Liberal Democratic Party (LDP) in the race for the premiership.

Watanabe, 70, also a former deputy prime minister, conveyed his latest decision at a third meeting with LDP President Yohei Kono, who has himself vowed to run for the supreme government post to succeed Morihiro Hosokawa.

Hosokawa announced his resignation last Friday after eight months in office.

The LDP veteran's decision came after the ruling coalition parties came closer to agreeing on a policy platform and naming Foreign Minister Tsutomu Hata as its single candidate for the premiership.

Hata, 58, concurrently serves as leader of Shinseito (Japan Renewal Party), the ruling coalition's core party.

Watanabe's change of heart over the defection paved the way for the LDP to field Kono as its official candidate to run in an upcoming parliamentary election of prime minister.

### **Japanese Coalition Parties Decide To Nominate Hata**

OW1904135594 Beijing XINHUA in English  
1309 GMT 19 Apr 94

["Political Turmoil Ends in Japan"—XINHUA headline]

[Text] Tokyo, April 19 (XINHUA)—The political turmoil that has raged here for the past 10 days appeared near its end today as parties in the ruling coalition decided to nominate Tsutomu Hata to succeed Morihiro Hosokawa as prime minister.

Hata, 58, concurrently deputy prime minister and foreign minister, has been the main contender since Hosokawa announced his bombshell resignation on

April 8 amid a Diet (Parliament) stalemate sparked by his personal financial affairs.

The choice of Hata today dashed the hope of former Foreign Minister Michio Watanabe, who simultaneously abandoned his plan to leave the primary opposition Liberal Democratic Party (LDP) to run in an upcoming Diet election for the premiership.

Watanabe, an LDP veteran, had tried to align with Shinseito (Japan Renewal Party) and Komeito (Clean Government Party), the key political forces within the current seven-party coalition, with the aim of leading, or at least influencing, the next government.

By keeping Watanabe and his supporters within the fold, the LDP, still the largest single party, has averted another major split and is still a thorn in the coalition's side.

The LDP lost its 38-year-old grip on power last summer after Hata and his political ally, Ichiro Ozawa, bolted the party with their followers to form Shinseito.

It was the second attempt by Watanabe, 70, for the prime ministership. He made his first attempt when the LDP was in power.

Political commentators said he changed his mind this time after realizing the slim possibility of winning support from Shinseito and other parties.

If a policy platform statement is signed by the coalition partners, the leaders of the alliance will nominate Hata for the premiership as early as Wednesday [20 April].

#### **DPRK Protests Patriots Missile Deployment in S. Korea**

*OW1904173694 Beijing XINHUA in English  
1624 GMT 19 Apr 94*

[Text] Pyongyang, April 19 (XINHUA)—The Democratic People's Republic of Korea (DPRK) Anti-Nuclear and Peace Committee issued here today a statement strongly protesting against the United States' deployment of Patriots missiles on the Korean Peninsula.

It was reported that two transports of the U.S. Navy loaded with 192 Patriot missiles, 48 launching pads and 84 Stringer missiles to be deployed in South Korea arrived at Pusan port on April 18.

The statement said that the shipment of Patriots missiles to South Korea by the United States led the situation on the Korean Peninsula to the "brink of war."

By deploying most dangerous weapons—Patriots missiles in South Korea, the United States had violated the DPRK-U.S. Joint Declaration on peacefully solving the nuclear issue on the Korean Peninsula released last June, the statement said. The statement demanded that the United States stop at once deploying the Patriots missiles in South Korea.

#### **Sino-DPRK Session on Border River Shipping Closes**

*OW2004030994 Beijing XINHUA in English  
0253 GMT 20 Apr 94*

[Text] Changchun, April 20 (XINHUA)—The 33rd session of the Sino-DPRK (Democratic People's Republic of Korea) joint committee for shipping on their border rivers closed here Tuesday [20 April].

During the 10-day meeting the committee discussed last year's work and the plan for 1994 put forward by the two sides.

In a friendly atmosphere the two sides reached agreement on issues of navigation safety, surveys and dredging.

An accord of the 33rd session of the joint committee was also passed during the 10-day meeting.

#### **S. Korean 'Dissidents' Protest U.S. Secretary's Visit**

*OW1904171594 Beijing XINHUA in English  
1451 GMT 19 Apr 94*

[Text] Seoul, April 19 (XINHUA)—Some 30 dissidents staged a demonstration in front of the American Embassy in Seoul today in protest against U.S. Defense Secretary William Perry's visit to South Korea.

Perry, who delayed his visit due to last week's downing of U.S. Army helicopters by friendly fire, will arrive here late tonight to hold talks with his South Korean counterpart Kwon Yong-hae on Pyongyang's nuclear issue.

The demonstrators, believed to belong to "Chongukyonhap," an alliance of dissident activists for "democracy and national unification," delivered to the U.S. Embassy a letter addressing Perry.

The letter accused Washington of "intentionally aggravating" tension on the Korean Peninsula to benefit the U.S. defense industry and to sustain its world hegemony as the sole military power even though the Cold War is over.

It called on Perry to drop his earlier remarks warning of a war against the Democratic People's Republic of Korea (DPRK). It also urged the United States to withdraw immediately all Patriot missiles from South Korea and to suspend the Seoul-Washington joint military exercise "Team Spirit" permanently.

South Korea and the U.S. will find ways during Perry's visit here to break the stalemate of the nuclear issue, including the timing of the "Team Spirit" joint military drill.

The first shipment of patriot missiles and their launchers arrived in South Korea Monday [18 April] aboard two U.S. military transport ships. The number of launchers amounted to 24, but the number of missiles was not known.

South Korea and the U.S. claimed that the Patriots are purely defensive missiles designed to counter the DPRK's air strikes and Scud missiles.

However, the DPRK strongly opposes the deployment of the Patriots in South Korea, saying that the missiles are designed for offensive purposes.

#### **U.S., ROK Urge Inspection of DPRK Nuclear Areas**

OW1904135394 Beijing XINHUA in English  
1254 GMT 19 Apr 94

[Text] Seoul, April 19 (XINHUA)—South Korea and the United States stressed here today that the Democratic People's Republic of Korea (DPRK) should act as soon as possible to allow the International Atomic Energy Agency (IAEA) to make additional nuclear inspection.

Addressing a working luncheon with U.S. Assistant Secretary of State Robert Gallucci, South Korean Foreign Minister Han Sung-chu said the immediate task is to get Pyongyang to agree to let the IAEA to further check its nuclear facilities, the YONHAP NEWS AGENCY reported.

Gallucci arrived here last Friday [22 April] to seek a joint strategy with South Korea in dealing with Pyongyang's nuclear issue.

Han and Gallucci stressed the importance of an inter-Korean dialogue in defusing the "nuclear crisis" and promised to work together for successful talks between South Korea and the DPRK.

The DPRK opposes the pressure put by the IAEA as well as the U.S. and other countries for further inspection of its nuclear sites, saying that it met the IAEA's demands in March this year.

IAEA Director-General Hans Blix is due to report to the United Nations Security Council on the DPRK's nuclear program in early May.

The DPRK has only a couple of weeks next month, said a South Korean official who asked not to be identified. "Pyongyang will either accept the IAEA team by then or face UN Action," he claimed.

President of the UN Security Council Jean-Bernard Merimee issued a statement in New York on March 31, urging the DPRK to allow the IAEA to complete its inspection of Pyongyang's nuclear facilities.

"The council has decided to remain actively interested in the matter and further security council consideration will take place if necessary in order to achieve full implementation of the IAEA-DPRK safeguards agreement," the statement said.

#### **Southeast Asia & Pacific**

##### **State Councillor Meets Burmese Buddhist Delegation**

OW1904134194 Beijing XINHUA in English  
1252 GMT 19 Apr 94

[Text] Beijing, April 19 (XINHUA)—Chinese State Councillor and Secretary-General of the State Council

Luo Gan met here this afternoon with a Buddhist delegation headed by the Myanmar [Burmese] Minister of Religious Affairs, Lieutenant-General Myo Nyunt.

The 17-member delegation from Myanmar (formerly Burma) arrived here on April 18 to accompany the Buddha's tooth relic from China on its trip to Myanmar.

Before the meeting, the vice-president of the Buddhist association of China, the Ven. Ming Yang, hosted a ceremony to see the Buddha's tooth relic off and he will also lead a delegation to escort the Buddha's tooth relic to Myanmar tomorrow.

This is the second time for the Buddha's tooth relic to visit Myanmar.

##### **Malaysian Defense Minister Meets Zhang Wannian**

OW1904160694 Beijing XINHUA in English  
1424 GMT 19 Apr 94

[Text] Kuala Lumpur, April 19 (XINHUA)—Malaysian defense minister Najib Tun Razak today met visiting Chinese General Zhang Wannian, chief of the General Staff of the Chinese People's Liberation Army.

The Chinese general is here to attend the Defense Services Asia '94 exhibition.

During their meeting, Najib and Zhang agreed that reciprocal visits of the leaders of the two countries should continue in the interest of mutual understanding and friendship.

Malaysia sees China as a close neighbor, said Najib. Prime Minister Mahathir Mohamed's visit to China last year further strengthened the bilateral relationship, he added.

A growing number of Malaysians are visiting China, and they are getting excited about China's economic prospects, Najib said.

When introducing China's defense policy to Najib, Zhang said China will not seek hegemony, commit aggression, align with any other country or build military bases abroad, adding the Chinese Army is totally committed to defense.

##### **Thai Deputy Prime Minister Meets NPC Committee Head**

OW1904172594 Beijing XINHUA in English  
1540 GMT 19 Apr 94

[Text] Bangkok, April 19 (XINHUA)—Thai Deputy Prime Minister Amnuai Wirawansaid here today that the development of Sino-Thai relations will play an important role not only to the two countries, but also to the peace and stability of the Asia-Pacific region.

During a meeting with Zhu Liang, chairman of the Foreign Affairs Committee of the Chinese National People's Congress (NPC), Amnuai said the two countries



need to strengthen cooperation in the political, economic, trade and other fields.

He added that the visit by the Chinese NPC delegation is significant in that it will promote closer ties between parliaments of the two countries.

Zhu said on the occasion that mutual visits by leaders of the two countries will help advance bilateral relations, and expressed his hope that the good relations will be maintained.

On Monday [18 April], Zhu had a meeting with Deputy Foreign Minister Surin Pitsuwan [spelling of name as received], who stressed the importance of celebrating the 20th anniversary next year of the establishment of diplomatic relations between the two countries.

Zhu and his delegation arrived in Thailand last Friday. During the first two days of the visit, the delegation visited Northeast and North Thailand where the economic quadrangle economic zone encompasses North Thailand, China's Yunnan Province, Myanmar [Burma] and Laos.

#### **Hainan Party Chief Meets With SRV Delegation**

*HK2004021694 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 12 Apr 94*

[Text] Ruan Chongwu, secretary of the provincial party committee, met with the seven-member delegation of leading cadres from the provincial and city committees of the Vietnamese Communist Party [VCP], which was led by Nguyen Tan Dung, VCP Central Committee member and secretary of the Kien Giang Provincial VCP Committee, in the Haikou International Commercial Building yesterday.

The delegation is visiting China at the invitation of the CPC Central Committee.

Yesterday, it started a four-day visit to Hainan, with a view mainly to acquire information on our province's developments in absorbing foreign capital, constructing development zones, and realizing agricultural modernization.

Ruan Chongwu briefed the guests on the achievements scored in economic development and the absorption of foreign capital since the island was turned into Hainan Province and a special economic zone. Both sides hoped to promote mutual understanding and develop cooperative relations.

Present at the meeting were Chen Yuyi, deputy secretary of the provincial party committee and Hong Zuojun, from the party Central Committee International Liaison Department, who accompanied the delegation on their visit to Hainan, and Chen Donghui, director of the provincial office of foreign affairs.

#### **Sino-Vietnamese Friendship Bridge Reconstructed**

*OW2004051394 Beijing XINHUA Domestic Service in Chinese 1325 GMT 18 Apr 94*

[By reporter Lu Hankui (7120 3352 7608)]

[Text] Nanning, 18 Apr (XINHUA)—The Beilun He Bridge in Dongxing, Guangxi Zhuang Autonomous Region, which was reconstructed under a Sino-Vietnamese joint venture, officially opened to traffic on 17 April. Measuring 111 meters in length and 10 meters in width, it is the only bridge linking the Dongxing Development Zone in China's Guangxi with Mang Street, Hai Ninh County, in Vietnam's Quang Ninh Province. The original bridge (named the Beilun He Friendship Bridge) was put into operation after its completion in 1958 and destroyed during a bombing in 1979. Through negotiations, relevant departments from China and Vietnam in 1992 decided to reconstruct the bridge at the same location using the same design and at a budgeted total investment of 1.8 million renminbi yuan shared equally by the two sides.

#### **Zhu Rongji Meets Australian Governor-General**

*OW1904133294 Beijing XINHUA in English 1304 GMT 19 Apr 94*

[Text] Beijing, April 19 (XINHUA)—Acting Chinese Premier Zhu Rongji today conferred with visiting Australian Governor-General Bill Hayden on the promotion of Sino-Australian economic ties and cooperation and other issues of common interest.

As Chinese Premier Li Peng is abroad on official visits to four Central Asian countries and Mongolia, Zhu is presiding over the State Council's work and serving as acting premier.

During the meeting, Zhu recalled his visit to Australia in 1992, saying that since that visit, bilateral relations of economic and technological cooperation have soundly developed, high-ranking officials exchanged visits frequently and bilateral political ties improved further.

He said China and Australia are mutually complementary in economic structures. Australia produces iron ore and wool, both of which are largely exported to China. At the same time, the two countries can cooperate in the deep-processing of commodities.

As long as Australian products maintain competitiveness and Australia provides China with advanced technology, the prospects for bilateral cooperation in this regard are broad, he said.

Zhu noted that the joint ventures run by the two countries in Australia are successful.

"It is China's hope that efforts should be made not only for the enhancement of cooperation between the two governments, but also for the promotion of cooperation between the enterprises of the two countries," he said.

Hayden said he was deeply impressed by achievements that China has made in economic construction, adding that Australia places great importance on its economic relations and trade with China.

He expressed satisfaction with bilateral trade in the fields of iron ore and wool and agreed to China's views on giving full play to their advantages and conducting cooperation in products' deep-processing.

During the meeting, the two also briefed each other on the respective countries' domestic economies.

#### **Jiang Zemin Meets Australian Governor General**

*OW2004033994 Beijing Central People's Radio  
Network in Mandarin 1030 GMT 18 Apr 94*

[From the "National Hookup" program]

[Text] President Jiang Zemin met with Australian Governor General William Hayden at the Diaoyutai state guesthouse this afternoon. They exchanged views on Sino-Australian relations, regional conditions, and international issues of common concern.

Hayden started his state visit to our country today at the invitation of President Jiang Zemin.

Before the meeting, President Jiang Zemin presided over a ceremony in the square in front of the Great Hall of the People to welcome Governor General Hayden.

#### **Qiao Shi Meets Australian Governor-General**

*OW1904132694 Beijing XINHUA in English  
1250 GMT 19 Apr 94*

[Text] Beijing, April 19 (XINHUA)—Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress (NPC), said here today that there were good prospects for the mutually beneficial cooperation between China and Australia.

Meeting with visiting Australian Governor-General Bill Hayden at the Great Hall of the People here this afternoon, Qiao praised the positive contributions that Hayden has made in past years for the promotion of Sino-Australian ties.

He said that the two countries have had effective exchanges and cooperation since they were linked diplomatically.

Qiao noted that in recent years the exchanges between the parliaments of the two countries have grown rapidly, adding that there are also frequent exchanges between the legislative bodies of Chinese provinces and Australian states.

"At the beginning of this month we received a delegation from the foreign affairs, trade and defence committees of the Australian parliament, and a Chinese NPC delegation headed by Vice-Chairman of the NPC Standing Committee Tian Jiyun will visit Australia soon. These events

would contribute to further development of Sino-Australian relations and friendship of the two peoples," Qiao said.

The NPC chairman pointed out that China and Australia, both in the Pacific region, are complementary in their economies. China is willing to forge deeper and closer cooperative ties with Australia on the basis of the peaceful co-existence, equality and mutual benefit, he stressed.

Qiao also briefed Hayden on the work of the NPC and the construction of China's socialist market economy.

Hayden expressed thanks for the warm reception he has met in China.

He said he was pleased with the achievements gained in Australia-China economic cooperation, which he described as "instrumental" to the two countries and as "favorable factors" for the economic development and political stability of the Asia-Pacific region.

#### **Tian Jiyun Meets With New Zealand Prime Minister 19 Apr**

*OW1904130994 Beijing XINHUA in English  
1046 GMT 19 Apr 94*

[Text] Wellington, April 19 (XINHUA)—New Zealand Prime Minister Jim Bolger said this afternoon that the development of China-New Zealand relations in recent years is very "positive."

He made the assessment when meeting with Tian Jiyun, vice chairman of the Standing Committee of the Chinese National People's Congress (NPC) who is paying a six-day visit here at the head of a NPC delegation.

Bolger expressed the hope for "strong growth" in the economic cooperation and trade between the two countries.

Recalling his visit to China last year, he said that he was very impressed by the fast economic growth achieved by China.

During the meeting, the Chinese NPC leader Tian said both China and New Zealand have their respective economic advantages and they can learn from each other in many fields.

They also share many common interests in maintaining security in the Asia-Pacific region and promoting regional economic development, he said.

#### **Gansu Governor Leads Delegation to New Zealand, Australia**

*HK2004011694 Lanzhou Gansu People's Radio  
Network in Mandarin 2300 GMT 12 Apr 94*

[Text] At the invitation of [name, words indistinct], mayor of Christchurch, New Zealand and (Chelnek), governor of the Australian State of Victoria, a friendly five-member government delegation led by Governor Zhang Wule departed Lanzhou yesterday for official

friendly visits to New Zealand and Australia. The 10th anniversary of the establishment of sister-city ties between Gansu and Christchurch is 22 April 1994. Governor Zhang Wule will attend the celebration activities sponsored by Christchurch.

In the last 10 years, our province and the city of Christchurch have conducted extensive exchange and cooperation in such areas as economics, trade, science and technology, education, and culture, thereby promoting mutual understanding and friendship between the peoples of China and New Zealand.

In recent years, our province and the State of Victoria, in Australia, have made comparatively great advances in economic cooperation and friendly relations. Our province has set up trading companies, livestock farms, and Chinese-product shopping malls in the state. These enterprises serve as an important window through which our province is developing the Australian market. Last year, the city of Tianshui established ties of friendship and cooperation with the city of [name indistinct] in Victoria. Zhang Wule's current visit to Victoria will have a positive impact on further expanding the friendly relations between our province and the State of Victoria, and on opening more channels of cooperation in Australia.

Vice Governor Chen Qiling and persons in charge of relevant departments went to the Zhongshan Airport to see the delegation off. Vice Governors Guo Kun and Cui Zhenghua shook hands with and said good-bye to Governor Zhang Wule at the gate of the government office building.

### Near East & South Asia

#### State Councillor Meets Bahrain Health Delegation in Beijing

OW18041101 94 Beijing XINHUA in English 0911 GMT 18 Apr 94

[Text] Beijing, April 18 (XINHUA)—Chinese State Councillor Peng Peiyun met with a health delegation from the state of Bahrain here this afternoon.

They had a cordial talk on topics of common interest.

The delegation, headed by Bahrain Minister of Health Jawad Salim al-Urayyid, arrived here April 15 at the invitation of the Chinese Ministry of Public Health.

On April 16, the delegation signed with the Chinese Ministry of Public Health an executive plan of the memorandum of understanding on cooperation between the two health ministries.

#### Bangladesh Foreign Minister on 'Very Successful' Visit

OW1904065994 Beijing XINHUA in English 0625 GMT 19 Apr 94

[Text] Dhaka, April 19 (XINHUA)—Foreign Minister Mustafizur Rahman Monday [18 April] described his

visit to China as "very successful" in strengthening friendship between the two countries and also in opening new approaches towards economic cooperation.

The official news agency BSS quoted the foreign minister as saying that the primary goal of his visit was "to further consolidate our friendship and understanding."

Rahman said that he discussed with his Chinese counterpart Qian Qichen on bilateral and international issues and was happy to note that both sides had shared similar views on all the issues.

#### Egyptian Ambassador Interviewed on Mubarak's Upcoming Visit

OW1904033394 Beijing XINHUA in English 0256 GMT 19 Apr 94

[Text] Beijing, April 19 (XINHUA)—President Muhammed Hosni Mubarak's forthcoming visit to China will serve to promote the friendly ties of cooperation between Egypt and China.

Egyptian Ambassador to China Samir Burhan expressed this belief in an interview with XINHUA.

President Mubarak will start a three-day state visit to China on April 21 at the invitation of Chinese President Jiang Zemin.

Burhan noted that a Cairo earthquake two years ago disrupted Mubarak's China trip and the forthcoming visit would be an extension of that visit.

The frequent high-level exchanges of visits are "manifestations of the friendly ties" between the two countries, he said.

During the visit, Mubarak is scheduled to hold talks and exchange views with President Jiang on regional and international issues of mutual concern.

Mubarak will brief the Chinese leadership on the latest developments of the Middle East peace process, and Egypt's role in the negotiations between the Palestine Liberation Organization and Israel and the withdrawal of Israeli troops from the Gaza Strip and the West Bank town of Jericho, Burhan said.

As chairman of the Organization of African Unity, Mubarak will also brief the Chinese leaders on the developments in hot spots in Africa, such as Rwanda, Burundi, Somalia, Mozambique and South Africa.

Leaders of the two countries will explore new ways to enhance bilateral ties, especially those in the economic and trade fields, and propel these ties toward a new phase of development, Burhan said.

The ambassador touched on Egypt-China economic and trade relations, saying that the two-way trade volume reached 200 million U.S. dollars last year.

"The figure is not all that big and there exists great potential for development," he said.



He voiced the belief that President Mubarak's visit will also serve to expand bilateral economic and trade relations.

Burhan revealed that the two countries are working on an agreement on judicial cooperation for the president to sign during his visit here. "This will mark another new development in bilateral cooperation," he noted.

Egypt and China share similar experiences in their respective opening drives and economic re-working, and are faced with common difficulties, he said.

The exchange of these experiences will help them to solve obstacles and to promote each country's progress, the ambassador noted.

#### **Egypt's Mubarak Comments on Relations With China**

*OW1904161094 Beijing XINHUA in English  
1420 GMT 19 Apr 94*

[By Xia Haitao, Song Bingheng, and Liu Shun]

[Text] Cairo, April 19 (XINHUA)—Egypt and China have firmly established their political relations and such relations should spur economic cooperation and trade exchanges, Egyptian President Hosni Mubarak said in an interview with Chinese resident journalists in Cairo Monday prior to his visit to China.

"Since April 1976, I have visited China several times, each time has left me a very deep impression," Mubarak said, smiling, when meeting with the Chinese journalists in a large study in his Heliopolis Presidential Palace.

The president will pay a three-day state visit to China from April 21 to 23 at the invitation of Chinese President Jiang Zemin. This will be his sixth tour of China and the fourth since he became president.

Sino-Egyptian relations have both historical and political dimensions, said Mubarak, pointing out that Egypt is the first Arab and African country to recognize the People's Republic of China.

So far as the political dimension is concerned, he said, these relations are based on a firmly established friendship that consists in cooperation, consultation and coordination on international and Arab issues.

These relations proceed from the major role played by China on the international arena and the important role enjoyed by Egypt in the Arab world, the Middle East and Africa, he added.

The president noted that the historical heritage of both Egypt and China, mutual confidence between the two countries and their cooperation in the economic, cultural and scientific fields have laid a solid foundation for mutual understanding between the two peoples, which has in turn further boosted the strong friendly ties existing between Cairo and Beijing at the highest level.

"If our political relations have become so firmly established, we of course hope that our economic cooperation and our trade exchange will come up to the same level."

The big progress the Chinese have made in their economic development and the impetus that has been given to the Egyptian economy in recent years are likely to create wide prospects for Egypt and China to expand their trade and increase their shares in the world trade, Mubarak said.

Those two facts are also likely to enable Egypt to make use of the industrial and technological progress achieved by China, he added.

"We cannot ignore the importance of the economic and political role of the countries in Asia, particularly in the Far East, which contribute 50 percent of the world production, that foreshadows that the next century will be the century of Asia," Mubarak said.

Egypt's cultural and religious ties with a number of Asian countries have promoted Egypt to devote due attention to fostering cooperation and understanding with the Asian countries, he said.

#### **Mubarak Compares Reform Experiences**

*OW1904162694 Beijing XINHUA in English  
1448 GMT 19 Apr 94*

[By Xia Haitao, Song Bingheng, Liu Shun]

[Text] Cairo, April 19 (XINHUA)—There is an analogy between Egyptian and Chinese economic reforms and the two can make use of each other's experience, President Hosni Mubarak told Chinese journalists prior to his visit to China.

In an interview Monday [18 April], Mubarak said that as a developing country that adopted centralized economic planning, Egypt has borne a lot of burdens as a result of several armed conflicts in the Middle East. It has met with difficulties in creating the infrastructure necessary for economic development, and has suffered from a steady population growth rate not in proportion to that of the economic growth.

In the face of these problems, said the president, Egypt began in the early eighties to comprehensively review its economic programs and plans in line with the requirements of modern economy, carrying out its economic reform programs in a way compatible with its own social conditions and the needs of Egyptian citizens.

He said that having executed two five-year economic plans and started a third one in 1992 and gradually adopted policies for economic liberalization and privatization in accordance with conditions of Egyptian society, Egypt has managed to restore the vitality of the Egyptian economy, and its ability to produce, export and provide labor opportunities for thousands of young people.

The problem is not over yet, but it was carefully diagnosed, he said. The Egyptian economy, including industry, agriculture, reconstruction and public services, began to appear healthy and strong.

The president said that there is no little likeness between Egypt's experiment and that of China, despite their peculiarities. Shifting from centralized planning to the market mechanism and individual enterprises is a characteristic of both experiments.

But the fact the two experiments have taken into consideration the social peculiarities of the Egyptian and Chinese peoples, or "what we call the 'social dimension of economic development'," is perhaps the most prominent characteristic that they have in common, the president stressed.

Invigorating the public sector, establishing free economic zones, encouraging foreign investments and developing medium and small-sized industrial enterprises are characteristic of the reforms in China, which can be found, though on a small scale, in Egypt's economic reform experiment, Mubarak said.

Both the Egyptian and Chinese experiments reflect the conditions of economic development in the two countries, they are not a mechanical response to some plans or pieces of advice that were not necessarily compatible with the characteristics of the two experiments, said the Egyptian president.

#### **Mubarak Emphasizes Peace**

OW1904172694 Beijing XINHUA in English  
1700 GMT 19 Apr 94

[By Xia Haitao, Song Bingheng, Liu Shun]

[Text] Cairo, April 19 (XINHUA)—Egyptian President Hosni Mubarak hoped the year of 1994 will be a year of peace in the Middle East.

He spoke of the aspiration in an interview Monday [18 April] with resident Chinese journalists in Cairo prior to his visit to China.

The Middle East cannot afford to remain always in a state of war, for war is not the solution, peace is the only choice, the Madrid peace conference is deemed as a historic turn in boosting the Middle East peace march, he said.

Throughout the two years of difficult, sometimes faltering, talks, all parties concerned have unanimously expressed their will to opt for peace, overcome all obstacles and rebuild long-lost confidence, Mubarak noted.

The Palestinian-Israeli Declaration of Principles reached last September is undoubtedly an important landmark, which has brought together all the parties concerned close to an acceptable peaceful settlement, Mubarak said.

This settlement will bring the Palestinian issue to the threshold of a new phase in which self-rule will be realized by the start of interim arrangements and negotiations on the final status of the occupied territories, he added.

With the same level of importance, there have been serious negotiations along the Syrian-Israeli, Lebanese-Israeli and Jordanian-Israeli tracks. This reflects an obvious political will on the part of parties concerned that the best means to reach agreement is through dialogue and mutual acceptance, he said.

Mubarak said a resolution of the conflict between Syria and Israel needs a complete Israeli withdrawal from the Golan Heights.

Mubarak said Egypt has been committed consistently to the strategy of peace based on justice. The Egyptian role started years before the Madrid peace conference and has continued till now since Egypt enjoys the trust of all the concerned parties in the peace process and has direct contacts with both regional and international leaders.

Egypt is the only Arab country that has diplomatic relations with Israel and maintains good relationship with the Arab parties involved in the Arab-Israeli negotiations. It has received leading officials of the parties to the conflict regularly to narrow gaps of differences.

Establishing comprehensive peace in the Middle East region is a great historic contribution to the peace and stability in the world, concluded the Egyptian president.

#### **Egyptian Foreign Minister Views Mubarak's Visit**

OW1904203494 Beijing XINHUA in English  
1959 GMT 19 Apr 94

[By Liu Shun]

[Text] Cairo, April 19 (XINHUA)—Egypt's Foreign Minister 'Amr Musa said today that President Hosni Mubarak's forthcoming visit to China will be of political and economic importance.

China, as a major power, plays a key role in world affairs, Musa told a press conference on the eve of Mubarak's visit which takes place from April 21 to 23.

Praising relations between China and Egypt and between President Mubarak and the Chinese leadership as time-tested and distinguished, the foreign minister said that intensive consultations between the two countries over the past 10 years have laid down a base for further promotion of Sino-Egyptian relations.

A number of economic agreements will be concluded during this visit, Musa said.

He said Egypt and China enjoy close ties. Egypt is the first Arab and African country to recognize the People's Republic of China.

Since 1956, friendly relations have developed on the basis of understanding and mutual cooperation.

He said Egypt supports China's joining of the GATT agreement, adding China's tremendous development in industry and free zones calls for enhanced co-operation between the two nations.

Musa voiced hope that the volume of trade between the two countries will increase. The two-way trade stood at 224 million U.S. dollars in 1993.

Musa will leave Cairo Wednesday [27 April] and join the delegation accompanying President Mubarak during his official visit to China. Mubarak is now in Oman.

### Officials Expect Mubarak's Visit To Be 'Complete Success'

OW2004081094 Beijing XINHUA in English  
0640 GMT 20 Apr 94

[Text] Beijing, April 20 (XINHUA)—The forthcoming visit to China by Egyptian President Muhammad Husni Mubarak is expected to be a complete success, Chinese officials here said.

Prior to Mubarak's arrival here tomorrow, senior Chinese diplomats and trade officials expressed this conviction to XINHUA, saying they are looking forward to the trip.

Reached by telephone, Chinese Ambassador to Egypt Yang Fuchang, who returned here for the visit, said Mubarak's 6th trip here will serve to enhance mutual understanding and be beneficial to each country's development.

He described Egypt, a major country in the Arab world and Africa, as playing a significant and unique role in the Middle East peace process.

As chairman of the Organization of African Unity, the Egyptian president also has an important role to play in African affairs, said Yang, who was vice foreign minister before he was appointed Chinese ambassador to Egypt.

China and Egypt, two ancient civilizations, have always been very good friends. Since the establishment of diplomatic ties 38 years ago, the two countries have maintained cooperative ties of friendship in fields of politics, economy, culture and science and technology.

"Egyptian Prime Minister 'Atif Sidqi once said that Chinese technologies suit Egypt and that the suitable ones are the best," he said.

Therefore, there is enough room for the two countries to further their cooperation in economic, and scientific and technological fields, the ambassador said.

China and Egypt are both striving to reform their economies and have achieved a lot, he said, adding that the two are faced with similar problems in the course of development.

Mubarak's visit and the bilateral contacts at various levels will enable the two sides to exchange in-depth

views, deepen mutual understanding and help to further the reforms and economic growths in the two countries, Yang said.

An official from the Foreign Ministry's Asia and Africa Department echoed Yang's view, saying that the visit will serve to consolidate the friendly Sino-Egyptian cooperation and the traditional friendship between the two countries.

Calling Mubarak a respected old friend of the Chinese people, the official noted that the Egyptian president has made important contributions to the development of bilateral cooperation.

During the visit, Mubarak is scheduled to exchange views with Chinese leaders on the furthering of Sino-Egyptian ties, and regional and international issues of mutual concern.

Touching upon Sino-Egyptian trade links, an official from the ministry of foreign trade and economic cooperation noted that there had been relatively rapid development in this regard in recent years.

The two-way trade volume reached over 200 million U.S. dollars-worth last year, making Egypt China's second-largest trade partner in Africa.

China exports to Egypt mainly food and cereals, chemical and light-industrial products, and machinery and electrical appliances, and imports iron, steel and aluminum.

The two huge markets provide many opportunities for the expansion of bilateral trade, he said.

China and Egypt are discussing ways to enhance their bilateral economic and trade cooperation, including the setting up in Egypt of joint ventures and Chinese-owned enterprises.

During Mubarak's visit the two countries' leaders will explore cooperation in these and other fields, he said.

To facilitate investment and trade between China and Egypt, an agreement on the protection of investment between the two countries is expected to be signed during Mubarak's visit, he revealed.

### Cultural Delegation Meets Jordanian Minister in Amman

OW1704122794 Beijing XINHUA in English  
1149 GMT 17 Apr 94

[Text] Amman, April 17 (XINHUA)—Minister of Culture Amin Mahmud today met with a three-member Chinese cultural delegation led by Fan Zhonghui, deputy director-general of the Ministry of Culture, which had a stopover here on its way to Baghdad.

The two sides exchanged views on furthering cultural contacts and exchanges between the two countries.

During the meeting, Mahmud said China's political views and brilliant culture impressed him profoundly



during his school years in Egypt. He said he highly appreciated China's stand of supporting the Palestine cause, which was made clear by late Premier Zhou Enlai, whom he first met in Cairo as a student in the audience.

He expressed hope that Jordanian-Chinese cultural exchanges will continue to develop with constant mutual visits of cultural troupes and teams.

Fan Zhonghui said that China and Jordan have enjoyed a fine relation in politics, economy and other fields including culture. He proposed that the two sides organize more small-scaled programs of cultural exchanges such as art galleries, exhibition of arts and handicrafts and troupe performances.

China has earlier agreed to provide Jordan with about 9 million U.S. dollars to help the kingdom build a library and a children's hospital.

### Sub-Saharan Africa

#### Jiang Zemin Meets Cote d'Ivoire Foreign Minister

OW1904070494 Beijing XINHUA in English  
0624 GMT 19 Apr 94

[Text] Beijing, April 19 (XINHUA)—Chinese President Jiang Zemin met and had a cordial and friendly talk with visiting Cote d'Ivoire Foreign Minister Amara Essy here this morning.

Extending a warm welcome to Essy, Jiang noted that China-Cote d'Ivoire relations are viewed with importance by the leaders of both countries. He feels satisfied with the smooth development of these relations, he said.

China attaches importance to friendly co-operation with Cote d'Ivoire in every field and is ready to propel the bilateral ties to a new level of development together with the new Cote d'Ivoire government headed by President H.N. Bedie.

Jiang praised the Cote d'Ivoire government and people for their notable achievements in maintaining national unity and reinvigorating their economy. He wished them further progress.

During the meeting Jiang gave a brief account of China's economic growth and its reform and opening drive. He asked Essy to convey his best regards to President Bedie.

Essy thanked Jiang for the reception. He conveyed to Jiang the best wishes and a letter from President Bedie.

Cote d'Ivoire enjoys good ties of friendly co-operation with China. It attaches importance to these relations and sincerely hopes that they will be consolidated and developed, Essy said.

The Cote d'Ivoire foreign minister also voiced appreciation of China's achievements in its economic construction.

Later in the morning, Yang Wensheng, assistant minister of foreign trade and economic co-operation, met with Essy.

The two sides exchanged notes on Chinese aid to Cote d'Ivoire, valued at one million yuan.

#### Qian Qichen Confers With Ivorian Foreign Minister

OW1804130594 Beijing XINHUA in English  
1242 GMT 18 Apr 94

[Text] Beijing, April 18 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen expressed the conviction here today that with joint efforts, the friendly ties of cooperation between China and Cote d'Ivoire, based on equality and mutual benefit, will enter into a new phase of development.

Qian, holding talks with Cote d'Ivoire Foreign Minister Amara Essy here this morning, described the bilateral ties in the political, economic and trade, cultural and other fields as "developing smoothly".

"This is embodied in the high-level exchanges between the two countries in the past two years and we are satisfied with it," Qian said.

Cote d'Ivoire is a major country in West Africa and "we cherish our friendship with it," Qian said, adding that China speaks highly of Cote d'Ivoire's wishes to develop ties with China.

The Chinese Government appreciates the peace, neutrality and non-alignment policy pursued by the Cote d'Ivoire Government, as well as its tenacious efforts to maintain unity and peace in Africa and its efforts for the setting up of a new world order.

Qian noted that China and Cote d'Ivoire share common views on many important international issues, and support and cooperate with each other in world affairs. This is beneficial to both countries under the current complicated and volatile international situation.

He reiterated that it constitutes a major part of China's foreign policy to develop its unity and cooperation with african countries.

Qian said after the de-colonialization, Africa faces a major task of developing its economy. And only after raising people's living standards and satisfying their rights to survival and development could it have the means to pursue other things.

Without sustained economic growth, it will be very difficult for the continent to develop democracy, Qian said.

Qian voiced China's support for the efforts to strengthen unity and economic integration in africa.

He also voiced its concern over the recent conflicts in some parts of the continent. Peace is the first important thing to these areas, Qian said.

Essy said his country attaches importance to its ties with China and follows China's development with interest.

He congratulated his host on the constant lifting of China's status on the international stage, and expressed

appreciation of China upholding justice in world affairs and safeguarding the rights and interests of developing countries.

The Cote d'Ivoire Government is grateful to China for its sincere aid and help, Essy said. He also reiterated the "one China" stance of his country.

Essy and his party arrived here on Sunday [17 April] to begin a week-long goodwill visit to China as Qian's guests.

#### **Chinese Red Cross Grants 20,000 Dollars to Mozambique**

*OW1504185094 Beijing XINHUA in English  
1830 GMT 15 Apr 94*

[Text] Maputo, April 15 (XINHUA)—The Chinese Red Cross Committee today granted 20,000 U.S. dollars to the Mozambican National Committee of disaster prevention and resistance.

Chinese Ambassador to Mozambique Mi Shiheng, on behalf of the Chinese Red Cross, handed over the cheque to deputy director of the Mozambican committee Oldemiro Baloe.

Mi said at the hand-over ceremony that the grant is a response to Mozambique's appeal for emergent aid for Nampula Province, northern Mozambique, where people have suffered great losses from tornado and storms.

Meanwhile, Baloe expressed thanks for the Chinese grant.

#### **China, Mozambique Sign Protocol on Medical Assistance**

*OW1504194694 Beijing XINHUA in English  
1933 GMT 15 Apr 94*

[Text] Maputo, April 15 (XINHUA)—China and Mozambique agreed here today that China will continue sending medical teams to Mozambique.

A protocol on this issue was signed by Chinese Ambassador to Mozambique Mi Shiheng and Mozambican Deputy Health Minister Maria Campos on behalf of their respective government.

Campos said after the signing ceremony that China has been sending medical teams to Mozambique since the Southern African country declared independence in 1975.

The Chinese medical teams have played an active role in the development of the Mozambican health sector, he said.

There are now eight Chinese medical teams in Mozambique. Under the new protocol, a ninth 11-member medical team will arrive in Mozambique this year.

#### **XINHUA Views Participation of Zulus in S. Africa Election**

*OW1904191094 Beijing XINHUA in English  
1841 GMT 19 Apr 94*

["News Analysis" By Teng Wenqi: "A Great Change in S. African Situation"]

[Text] Johannesburg, April 19 (XINHUA)—The Inkatha Freedom Party (IFP) decided today to participate in the April 26-28 elections in South Africa.

The decision was announced by South African President Frederick Willem de Klerk in Pretoria today after talks among himself, African National Congress (ANC) President Nelson Mandela and IFP President Mangosuthu Buthelezi.

Observers here believe the IFP's decision to participate in the poll is of great importance to the current situation in South Africa.

The ruling National Party, ANC and IFP are the three largest political parties in South Africa. It is estimated that the three parties are able to obtain more than 85 percent votes in the elections.

The IFP itself boasts of the support from the majority of Zulus which are the biggest tribe among the black people in South Africa. The IFP has a strong base within the KwaZulu Homeland.

The IFP stood for the establishment of a federal or con-federal state for future South Africa and therefore opposed the 1993 interim constitution drafted by the multi-party negotiations and adopted by the parliament.

The IFP registered for the elections early March, but later asked for the postponement of the elections and refused to submit its candidates for the elections.

Former U.S. Secretary of State Henry Kissinger and six other foreign mediators came to South Africa on April 12 in an attempt to help solve the constitutional differences between the ANC and IFP, but failed.

Supporters of the ANC and IFP clashed time and again since 1986, bringing the death toll to more than 10,000. The violence has been escalating since the beginning of this year. More than 300 people died of violence monthly.

De Klerk, Mandela and Buthelezi signed a memorandum of agreement for reconciliation and peace today after their talks in Pretoria.

The memorandum said the three parties "reject violence and will therefore do everything in their power to ensure free and fair, elections throughout the Republic of South Africa."

In a joint statement the three leaders appealed to their followers and to all South Africans to end violence, to exercise maximum restraint and to pursue their objectives by peaceful means.

The IFP decision and the signing of the memorandum will greatly reduce the violence raging in South Africa.

The Zulus, accounting for more than twenty percent of the total South African people, are taking part in the elections. This means a great change in the elections in South Africa.

Buthelezi said at a press conference today "South Africans may well have been saved from the disastrous consequences of unimaginable proportions."

Mandela said the memorandum of agreement is "a leap forward" for peace, reconciliation and an inclusive election process."

"IFP's participation in the poll deserves the support of all leaders and of all those who love South Africa," Mandela stated.

#### **Observers Leave for UN Election Mission in South Africa**

OW1904130894 Beijing XINHUA in English  
1057 GMT 19 Apr 94

[Text] Beijing, April 19 (XINHUA)—Forty Chinese observers, as members of the United Nations Observers Mission (UNOM), left here for South Africa today.

They will observe the first non-racial general election in South Africa, which is scheduled to take place from April 26 to 28.

On January 14, 1994, the UN Security Council passed resolution 894, which decided to send UNOM to South Africa for the country's election.

#### **Beijing Gives \$10,000 to Ugandan Earthquake Victims**

OW1804181894 Beijing XINHUA in English  
1711 GMT 18 Apr 94

[Text] Kampala, April 18 (XINHUA)—Guo Jialu, charge d'affaires of the Chinese Embassy in Uganda contributed here today a grant of 10,000 U.S. dollars to Ugandan earthquake victims on behalf of the Red Cross Society of China.

Peter Oryema, secretary general of Uganda Red Cross Society received the grant on behalf of the Ugandan people and expressed his thanks to the Chinese people for their friendly behavior towards the Ugandan people.

The south-western part of Uganda was hit on February 6 this year by an earthquake of 6.2 richter scale, which caused 12 people dead and over 200 injured. More than 200 homes were destroyed in the earthquake.

#### **West Europe**

**Shaanxi Governor Fetes Austria's Kurt Waldheim**  
HK1504105394 Xian Shaanxi People's Radio Network  
in Mandarin 0010 GMT 9 Apr 94

[Text] Vice Governor Jiang Xinzhen met and feted Kurt Waldheim, former UN general secretary, former Austrian president, and president of the UN Association of

Austria and his party in Xian yesterday evening. Jiang briefed the Austrian guests on Shaanxi Province's history and the achievements it has made since the drive of reform and opening up to the outside world was launched and the latter expressed their thanks for the warm hospitality accorded to them by the province.

#### **PRC Rejects British Clemency Appeal for Reporter**

HK2004083094 Hong Kong AFP in English 0813 GMT  
20 Apr 94

[Text] Beijing, April 20 (AFP)—Beijing rejected Wednesday Britain's request for clemency for jailed Hong Kong journalist Xi Yang, saying the affair was China's "internal affair" and that his sentence was "appropriate."

"Chinese judicial departments' trial of Xi Yang according to law is China's internal affair," a foreign ministry spokeswoman said when asked for Beijing's response to British Ambassador to China Robin MacLaren's appeal Tuesday for clemency.

"In light of the facts of the crime committed by Xi Yang, the sentence given to him by our judicial department is appropriate," she said, referring to the 12-year term passed down on the MING PAO newspaper reporter in a secret trial in March for allegedly stealing state secrets.

The appeal by 38-year-old Xi against the heavy sentence was briskly rejected by a court here last week, sparking large protests in Hong Kong amid concern over press freedom after the British territory's reversion to Chinese rule in 1997.

The United States has also added its voice to the protests, with the U.S. Consulate in Hong Kong issuing a statement Tuesday saying Xi's sentence was "far out of proportion to the acts he allegedly committed."

The journalist's arrest followed the publication of a report on Chinese financial and banking policy, which the Beijing court ruled was based on secret documents illegally obtained by Xi from a Chinese bank employee.

The bank employee has been jailed for 15 years.

In Hong Kong, a spokesman for MING PAO dismissed the Chinese foreign ministry's remarks, saying the ministry is "not in a position to decide."

"According to the Chinese constitution, the standing committee of the National People's Congress has the power to decide on clemency appeals," he said.

The spokesman added that the newspaper had yet to decide whether to make a formal appeal.

#### **Sino-British Underwater Cable Joint Venture Set Up**

OW1504155494 Beijing XINHUA in English 1421  
GMT 15 Apr 94

[Text] Beijing, April 15 (XINHUA)—A Sino-British joint venture has been set up to develop, install and maintain international submarine cables, it was announced here today.



The company, under the name of Sino-British Submarine Systems Co. Ltd, is owned by the Directorate General of Telecommunications (DGT) of the Chinese Ministry of Posts and Telecommunications, Cable & Wireless of the United Kingdom, and Hong Kong Telecom.

Luan Zhengxi, director of DGT, and Lord Young, chairman of Cable and Wireless and president of the Hong Kong Telecommunications Ltd., signed the agreement.

China has 51 percent of the company's registered capital of 27 million U.S. dollars, and Cable & Wireless and Hong Kong Telecom's investment will be represented by their joint company, Great Eastern Telecommunications Ltd.

Chinese Vice-Premier Li Lanqing met here this afternoon with Lord Young and his party.

It was learned that the new joint venture will acquire an advanced deep ocean submarine cable installation and maintenance ship.

Together with the existing facilities owned by China, the joint venture will enable China to immediately undertake the maintenance responsibilities for the New China-Japan optic fibre cable system.

It will also enhance China's capabilities to exploit commercial opportunities in the installation and maintenance of other international submarine cable systems.

**Government Extends Restrictions on BBC Operations**  
*HK1904072294 Hong Kong EASTERN EXPRESS in English 19 Apr 94 p 1*

[By Tad Stoner]

[Text] The Chinese government has extended a period of tough restrictions on the operations of the BBC on the mainland by six months. The limits on coverage include severe restrictions on reporting by the broadcaster's Beijing correspondents and a ban on the entry of film crews and radio reporters. These moves have reduced the BBC's news gathering to public press functions around the capital. The restrictions, previously set to apply until mid-summer, have now been renewed for another six months, according to sources close to the BBC.

The limits, never officially announced, were placed on the corporation after Beijing warned Britain about "serious consequences" if it allowed the BBC to screen a controversial documentary, Mao Zedong: The Last Emperor, a critical account of the late Communist Party chief's life. The hour-long film was never shown in China or on World Service Television, but drew heated protests from Beijing, infuriated by the broadcast on the BBC's United Kingdom domestic service.

Quoting contacts in the Chinese capital, BBC sources last night said mainland authorities had "upgraded" the

corporation to a list of "unfriendly" and possibly dangerous foreign media. The sources said both the foreign and broadcast ministries in Beijing had circulated documents ordering provincial and local authorities to "avoid relations" with the BBC, and to treat any requests by correspondents "coolly". "The other thing is a ban on all BBC reporters visiting China," one source said.

"Usually, at any time, you're likely to have BBC teams in China, all up to various things: documentaries, World Service Television.

"Since the Mao documentary, though, no one from the BBC had received official permission to go into China."

Authorities refused to allow BBC coverage of the National People's Congress in March, despite the presence of American, Canadian, German, and Japanese crews.

"When Xinhua (the New China News Agency) in Hong Kong made it clear that no one would get visas, London sent a letter to the government through the Beijing bureau and there was no response," a source said.

The corporation's two Beijing correspondents, James Miles and Carrie Gracie, have had at least three applications for internal travel refused since December, while local authorities have maintained their longstanding refusal to accredit a camera crew to the service. "It's been almost a ban, except that the one application that was granted was for a time when they couldn't go," a source said.

Another source said: "The indications we've had, as to when applications for travel or entry might be convenient, were originally that July would be the time. Now, though, the Chinese embassy in London has suggested that it would be a year (after the Mao documentary was shown)."

Problems created by the documentary have been compounded by deteriorating Sino-British relations over Hong Kong and what one executive described as the increasing popularity of the BBC as it offers Mandarin-language TV broadcasts and wider penetration via transmission facilities in South Korea and Japan. The departure on Sunday of World Service Television from Star TV's north Asia broadcast service, which includes China and Hong Kong, has drawn no response from Beijing.

**London Stock Exchange Holds Seminar in Beijing**  
*HK2004045894 Beijing CHINA DAILY in English 20 Apr 94 p 2*

[By Ren Kan: "London Exchange Lures Chinese Firms"]

[Text] The London Stock Exchange yesterday wooed Chinese firms in a bid to participate in the country's economic boom.

The exchange held a seminar in Beijing, at which it introduced itself to Chinese business leaders and explained how firms can list their shares on the London market.

The seminar attracted officials from some large firms, securities companies and banks.

The exchange showed its commitment to working with the Chinese by sending Nigel Atkinson, head of listings, to the conference. This followed the March visit to Beijing by the chairman of the exchange.

The British delegation, which arrived last Saturday, had a series of detailed discussions with Chinese securities authorities. Atkinson described the talks as very constructive.

"It is still in an early stage, but I believe the willingness on both sides will take the talks forward," he said.

The discussions were aimed at briefing Chinese authorities on the regulatory requirements of the exchange, he said. The London group will also find out if Chinese firms have any special requirements, he added.

"We are conscious of the special requirements in Hong Kong," Atkinson said. "We need to make a study as to whether we need to do something similar in London."

He added that his side wants a formal agreement signed to ensure the Chinese understand stock exchange rules.

And the China Securities Regulatory Commission is expected to come up with a formal memorandum.

Atkinson said the number of Chinese firms seeking overseas listing will grow rapidly in the coming years.

"We feel it is very important for London to respond to the need as an international stock market," he said. A number of Chinese companies have already expressed interest in listing shares in London, he said.

But before they formally apply to London, they need approval from Chinese authorities.

"We are waiting for our turn," he said. "We hope it will be soon and the capital market in London is very keen to participate in Chinese issues."

The central government has selected 22 domestic firms for possible overseas listing this year. Most of them will be listed in Hong Kong with some in New York or London.

Atkinson said Chinese firms which will arouse international investors' attention have substantial growth potential.

And they will need good long-term prospects, he said.

If Chinese firms want to list their shares in London, the first thing to do is to appoint a sponsor familiar with that market, he said.

## Rolls Royce Motors To Set Up Dealerships, Service Centers

HK2004961594 Beijing CHINA DAILY in English  
20 Apr 94 p 2

[By staff reporter Chang Weimin: "Rolls Royce Coasts Over the Great Wall"]

[Text] Rolls Royce Motor Cars yesterday signed an agreement with a Hong Kong firm to exclusively import its 3.75 million yuan (\$431,000) luxury sedans to the Chinese mainland.

And the British car maker plans to set up a series of multi-million dollar dealerships and service centres in cities like Shanghai, Beijing and Guangzhou.

The new company, Rolls-Royce Motor Cars of China, will invest in parts plants and training centres, said Ian Skeggs, of Inchape Motors International in Hong Kong.

However, a source close to Rolls Royce said it had ruled out manufacturing cars in China because local workers were not as skilled as those in Britain.

Demand for the expensive cars in China has been on the rise, prompting the import deal with Inchape, executives said.

Michael Donovan, a Rolls Royce managing director, signed the deal with Skeggs yesterday on the Great Wall.

"This new venture provides us with a great opportunity to show our confidence in the future, our commitment to Asia in general and China in particular," Donovan said.

"It's an indication of the dynamic approach our new re-vitalized company is making to ensure that our future is as glorious as our past."

Rolls Royce's has sold 50 cars on the mainland in the past 18 months. Donovan said rising demand has given him confidence in the market.

Sales in 1992 hit 10 cars, in 1993, 30 units. And in the first quarter of this year, 11 sedans were sold.

The cars cost 1.5 million Yuan (\$172,000) each on average, not including the 150 percent tariff they face which boosts the total price tag to about 3.75 million yuan (\$430,000).

The government early this year cancelled preferential policies, which allowed foreign-funded ventures to buy duty-free imported cars.

Donovan said that the tax change will not hamper business because of Rolls' long-term commitment to the country.

He denied rumours that Rolls Royce is opening markets in China because business is plummeting in Britain and across the world.

After experiencing extreme difficulties in 1991 and 1992, business began to turn around last year, he said.

And the first quarter of this year continued the gradual upturn with 10 percent growth over the same period last year, Donovan said.

### Latin America & Caribbean

**CPC's Hu Jintao Leaves for Visit to Latin America**  
*OW1604022794 Beijing XINHUA in English 0208  
GMT 16 Apr 94*

[Text] Beijing, April 16 (XINHUA)—A delegation of the Communist Party of China (CPC) headed by Hu Jintao, member of the Standing Committee of the Political Bureau of the CPC Central Committee, left here this morning for an official and good-will visit to Argentina, Brazil and Uruguay.

The delegation has been invited by the Justicialist Party of Argentina, the government of Brazil and the Blanco Party of Uruguay respectively.

The delegation led by Hu, who is also a member of the Secretariat of the CPC Central Committee, includes Li Zemin, member of the CPC Central Committee and secretary of the CPC's Zhejiang Provincial Committee, and Li Shuzheng, head of the International Liaison Department of the CPC Central Committee.

Ding Guangen, member of the Political Bureau of the CPC Central Committee, went to the airport and saw the delegation off.

Diplomatic envoys of the three Latin American countries in China were present at the airport.

### Leads Delegation to Uruguay

*OW1904031894 Beijing XINHUA in English 0254  
GMT 19 Apr 94*

[Text] Montevideo, April 18 (XINHUA)—A top Chinese Communist Party official arrived here today to start a two-day official good-will visit to Uruguay.

Hu Jintao, member of the Standing Committee of the party's Politburo, is visiting the Latin American nation at the head of a Chinese Communist Party delegation.

Hu and his party have been invited by Uruguay's ruling Blanco Party.

Hu is the highest-ranking Chinese Communist Party official to ever visit a Latin American nation.

Hu and his delegation were greeted at the airport by Jose Luis Puig, president of the Blanco Party, and other high-ranking government officials.

In a statement upon his arrival, Hu said the purpose of his visit is to promote friendship, cooperation, peace and development.

Hu is expected to meet Uruguayan President Luis Alberto Lacalle, Parliament Speaker Gonzalo Aguirre and leaders of the country's major political parties.

Uruguay is the first leg of Hu's three-nation tour which will also take him to Argentina and Brazil.

### Chi Haotian Concludes Visit to Chile

*OW1704012394 Beijing XINHUA in English 0110  
GMT 17 Apr 94*

[Text] Santiago, April 16 (XINHUA)—Chinese Defense Minister Chi Haotian, winding up his official visits to Brazil, Uruguay and Chile, left here for home today.

During his four-day Chilean visit, the last leg of his Latin American tour, Chi met with Chilean President Eduardo Frei, National Defense Minister Edmundo Perez and other military leaders.

This is the first visit to Latin America by a Chinese defense minister after the founding of the People's Republic of China in 1949.

Prior to his departure for home, Minister Chi said that he was very satisfied with his tour as it had helped to increase mutual understanding, expand cooperation and deepen friendship between China and the three Latin American nations.

### More on Visit

*OW1804003094 Beijing XINHUA Domestic Service in  
Chinese 0857 GMT 17 Apr 94*

[By correspondent Wu Huizhong (0702 1920 1813)]

[Text] Santiago, 16 Apr (XINHUA)—General Chi Haotian, Chinese state councillor and defense minister, said here today that the foundation of cooperation between China and Latin America in the political, economic, science and technology, and military fields is solid, and that the prospects of cooperation are broad.

Chi Haotian made these remarks to a XINHUA correspondent after concluding his two-week formal visits to Brazil, Uruguay, and Chile.

Chi Haotian stated: As the first Chinese defense minister to visit Latin America since the founding of new China, my visits were accorded warm and friendly receptions by the governments, militaries, and peoples of Brazil, Uruguay, and Chile. This fully expressed Latin America's deep affection and sincere friendship for the Chinese Government, military, and people.

Chi Haotian added: The state and military leaders of these countries all expressed their wishes to strengthen and broaden the scope of cooperation and exchange with China in all fields. They hailed China's policy of reform and opening up, and its independent foreign policy of peace without seeking hegemonism. They very much admire efforts by the Chinese Government and people to develop their own country, and hoped China will become stronger and make contributions to achieving lasting world peace and stability.



Chi Haotian added that China can learn and make use of many things in the economic construction and troop building of these Latin American nations.

Chi Haotian said his visits were completely successful and had achieved the purpose of enhancing mutual understanding, learning from each other, broadening the scope of cooperation, and furthering friendship.

**Memorandum on Judicial Exchange Signed With Argentina**

*OW1904133494 Beijing XINHUA in English 1251  
GMT 19 Apr 94*

[Text] Beijing, April 19 (XINHUA)—Xiao Yang, China's minister of justice, and his Argentine counterpart, Jorge Luis Maiorano, signed a memorandum of

understanding here today on judicial cooperation and exchanges between their countries.

They pledged to exert further efforts for bilateral cooperation, especially between their ministries.

At the signing ceremony today, Xiao said that the memorandum laid the foundations for further development of relations between the two ministries of justice.

Maiorano said that the Argentina-China memorandum was the first of its kind Argentina has signed with an Asian country, and was also the first a Latin American country has signed with China.

He added that the memorandum would facilitate direct exchanges between the two ministries.

## Political & Social

### Article Views Religious Groups, Foreigners

HK2004051194 Beijing CHINA DAILY in English  
20 Apr 94 p 4

[Article by Cai Hong from the "Opinion" page: "Decrees Construct Legal Basis for Religious Rights"]

[Text] Two decrees issued by the State Council earlier this year will ensure legal protection for legitimate religious activities and exchanges between Chinese religious groups and their overseas counterparts on the basis of friendliness and mutual respect, according to a prestigious figure in China's religious circle.

"The two mandates mean a breakthrough in establishing a legal framework for China's religious sector," said Dr Han Wenzhao, vice-president of the China Christian Council.

The decrees issued on January 31, are the Regulations for the Control of Sites of Religious Activities and the Regulations for the Control of Religious Activities of Aliens in the Territory of the People's Republic of China.

In drafting the regulations, Chinese authorities solicited opinions of the religious circles.

"We are satisfied with the decrees," Han said, "since the two regulations will act as legal protection for normal religious activities and exchanges between Chinese religious groups and their overseas counterparts on the basis of equality and mutual respect."

The two laws affirm the Chinese authorities respect for foreigners' religious freedoms. Aliens are guaranteed the right to participate in normal religious activities and to have friendly exchanges with Chinese religious circles.

According to Han, the edicts have seized headlines and gripped imaginations abroad. Some foreigners assumed the regulations meant that new controls would be imposed on religious activities in China.

"Most of the foreign articles I have read are inaccurate," Han said. He criticized reports that triggered unnecessary apprehension among the overseas friends who are concerned with Chinese affairs.

He maintained that the two rules would be instrumental to encouraging Chinese religious associations' ongoing friendly exchanges with their counterparts in other countries.

"If there are some restrictions, they are designed for the foreigners who are engaged in illegal, guileful activities in China," Han said.

The regulations uphold the principle articulated in China's Constitution that the country's religious groups and religious affairs should not be directed by overseas forces. No foreigner should interfere in China's religious affairs.

The eighth article of the regulations on the management of religious activities of aliens, for example stipulates that "foreigners must not set up religious organizations, offices or sites in China, recruit religious followers among Chinese citizens, or appoint religious ecclesiastics."

Just 10 days after the promulgation of the two laws, seven people from the Hong Kong Revival Christian Church, including the Reverend Dennis Balcomb, were detained for several days in Henan Province for their illicit religious activities.

The incident touched off erroneous stories in some overseas newspapers.

The Reverend Balcomb is not a new name in China. He wrote a statement of repentance several years ago when he was given a serious warning for similar illegal undertakings, Han said.

Today, peace and development are the common pursuits of people worldwide, requiring an environment of conciliation. Objective and accurate reporting will help create better understanding between different peoples.

Although the Cold War has drawn to a close, the influence of the media from that time lingers. Quite a few people abroad have taken it for granted that the atheistic Chinese Communist Party (CPC), the ruling party in China, racks its brains to wipe out religion.

"Biased, they turn a blind eye to or disbelieve in the achievements made by the State's religious policies," Han said.

The reality of Chinese Christians has long been ignored by the foreign press.

When visiting the United States in 1993, Han talked about Christian honesty and ethics with Christian journalists from the major news media.

He called for impartial reporting, both domestic and overseas, to enhance understanding between China and the rest of the world.

Han notes that only a few foreigners are malicious to China. Many Christian associations and individuals abroad deem the two Chinese decrees as fair and reasonable.

Han said his Christian council is grateful for the clarification made by 21 foreign Christian reverends residing in Hong Kong.

The past decade has witnessed dramatic changes in China's Christendom. According to Han, 8,000 churches are now open to Christians. On top of that, China has set up 13 seminaries to train clergy for its 6 million to 7 million Christian believers.

Since 1985, the Amity Foundation, founded by Christian believers in China, has been sponsoring around 80 foreign teachers annually for China's institutions of higher learning.

### New Magazine on Individual, Private Economies

HK2004031094 Beijing XINHUA Hong Kong Service  
in Chinese 0140 GMT 1 Apr 94

[Text] Beijing, 1 Apr (XINHUA)—A national comprehensive monthly magazine GUANGCAI [SPLENDOR 0342 1752], geared to the needs of the individual and private economic sectors, the first of its kind in China, was formally published here today.

This magazine is run by the China Individual Laborers' Association under the management of the State Industrial and Commercial Administration. Its aims include: Promptly relaying central policies and principles on individual and private economic development; disseminating information on the operations and production of individual industrial and commercial households and private enterprises; providing information on advanced figures and successful experience in the individual and private economic fields; portraying the wishes of individual industrial and commercial households and private enterprises; protecting the legitimate rights and interests of individual industrial and commercial households and private enterprises; and acting as an effective link between the government, society, individual industrial and commercial households, and private economic sectors.

Since the introduction of reform and opening up, the individual and private economic sectors have developed rapidly. By the end of 1993, there were 17 million individual industrial and commercial households in China, involving 30 million individuals, and there were 230,000 private enterprises. Individual and private economies have become new economic growth factors in some regions.

### Economic & Agriculture

#### Zhu Rongji Inspects Grain Work in Tianjin

OW1804121594 Beijing Central Television Program  
One Network in Mandarin 1100 GMT 5 Apr 94

[Video report by unidentified correspondent; from the "National News Hookup" program]

[Text] During his inspection of grain work in Tianjin from 2 to 4 April, Zhu Rongji, member of the CPC Central Committee Political Bureau Standing Committee and vice premier of the State Council, emphatically pointed out that we should conduct in-depth investigations and studies, seek opinions from people from all walks of life, and make a scientific decision, to develop as soon as possible a grain production and marketing system that is in line with China's national conditions and the socialist market economy.

Accompanied by leaders of the State Commission for Economics and Trade, the Ministry of Internal Trade,

and Tianjin Municipality, Zhu Rongji inspected Tianjin's (Zhaofuli) Grain Store and (Zhishuidao) farm products marketplace, and heard a report on Tianjin's economic situation and on the production, supply, and marketing of grain and agricultural and sideline products. Zhu Rongji fully approved the Tianjin Municipal CPC Committee's and Government's placing great importance on agricultural and grain work.

Zhu Rongji said: Grain is the most treasurable thing and grain price is the base of all prices. Stability of grain market affects the entire social stability. Leaders at all levels must have a full understanding of this. Since grain prices were decontrolled on 1 April last year, the situation of grain markets in the country has been good in general. However, decontrolling grain prices does not mean that we can relax macroeconomic regulation and control over grain market. On the contrary, governments at all levels should truly tighten management of grain market, ensure ample grain supply, and prohibit grain speculators from reselling grain at a profit and driving up grain prices. Grain market must always be under the state's control. Food is the greatest concern of the people. All localities—be they grain production areas or major grain marketing areas, and be they coastal or interior provinces—should deepen their understanding of the importance of grain issue, and governments at all levels should regard it as an important part of their work, in order to ensure that grain work is properly done.

#### Zou Jiahua Speaks on Enterprise Losses

OW1904223294 Beijing XINHUA Domestic Service in Chinese 0233 GMT 11 Mar 94

[By reporter He Jingsong (6320 0513 2646)]

[Text] Beijing, 11 Mar (XINHUA)—Addressing a national telephone conference last evening on the task of turning enterprise losses into profits, State Council Vice Premier Zou Jiahua stressed: Leaders at all levels should increase their understanding of the task and implement positive measures to earnestly and effectively undertake the job of turning losses into profits as a major economic task for this year.

Zou Jiahua said: Some results have been obtained in the task of turning losses into profits nationwide last year. However, the huge losses of state-owned enterprises is currently still a prominent economic problem. The situation has not only brought losses to enterprises but also created great financial difficulties for the state and localities. In addition, it has direct and adverse effects on a sustained, rapid, and healthy economic development, as well as affected the smooth process of enterprise reform. Enterprise losses will lead to lower living standards and increased difficulties for workers as well as directly affect social stability. We must understand the importance, necessity, and urgency of the task of addressing enterprise losses from a strategic high plain. Thus, Zou Jiahua asked departments at all levels to effectively tackle the following tasks: 1) Strengthen leadership, formulate plans, and establish the responsibility



system. Localities and departments should, in accordance with actual conditions, outline goals and programs for turning losses into profits as well as implement the programs with plans. It is necessary to determine persons responsible for the task as well as mobilize and rely on the masses for resolving the loss problem. Leading cadres at all levels must become personally involved in resolving prominent problems of their localities. 2) Earnestly analyze causes of enterprise losses and offer systematic guidance aimed at addressing the causes. 3) Stress the tasks of turning losses into profits in some key industries and enterprises. We must undertake the tasks in coal, oil, textile, and light industries, particularly in localities and state-owned enterprises whose losses are over 40 percent or 1 billion yuan. 4) Departments at all levels must assist enterprises to resolve their difficulties and enterprises must strive to turn around their losses. While actively promoting reform, enterprises at all levels should, in accordance with the demand of domestic and foreign markets, actively readjust product mix, strive to manufacture marketable products, continue to develop new products, realistically and strictly strengthen operations control, explore internal potential, and demand efficiency from management. In addition, enterprises must implement technological modifications, utilize new technologies, and seek to upgrade efficiency with technological applications. Enterprises should also arouse the people's enthusiasm in increasing production and conserving spending. Banks should extend circulating fund loans to enterprises that are capable of turning losses into profits. Finance departments should release funds due for loss subsidies as soon as possible.

At the conference, Wang Zhongyu, minister of state economics and trade commission, outlined specific plans for this year's tasks of turning losses into profits. He said: Enterprises at all levels must effectively identify their principal products. They should modify, limit, or eliminate the production of low-grade products of small market sales, while increasing the production of marketable products to conquer the market. Enterprises at all levels must strive to improve internal efficiency, formulate operations policies and strategies, reduce stockpiles, quicken fund turnover, and upgrade efficiency in fund application. We must do a good job in screening and evaluating the assets of deficit-ridden enterprises to properly account for their assets. When there is no hope to rescue an enterprise whose funds cannot meet its debts, experiments in bankruptcy should be carried out in accordance with the "Bankruptcy Law." Wang Zhongyu pointed out: It is necessary to carry out the task of turning losses into profits by closely centering on the guidelines for invigorating large and medium state-owned enterprises. It is necessary to target localities, industries, and enterprises, identify situations, and offer systematic guidance to score results in our tasks.

**Li Lanqing, Ren Jianxin on Protection of Patents**  
OW1904223494 Beijing XINHUA Domestic Service in  
Chinese 0811 GMT 12 Apr 94

[By reporter Chen Jinwu (7115 6855 2976)]

[Text] Beijing, 12 Apr (XINHUA)—The National People's Congress [NPC] Committee for Education, Science, Culture, and Health and the China Patent Bureau met in Beijing today to mark the 10th anniversary of the promulgation of the PRC Patent Law.

In a greeting letter sent to the meeting, Vice Premier Li Lanqing represents the State Council and congratulates the successes achieved since the promulgation of the law 10 years ago. He says in the letter: The past decade was a period in which the Patent Law was implemented along with the policy of reform and opening up. During this decade, China's formerly nonexistent patent system has developed rapidly from a small one into a big one. After the law was amended in 1993 in particular, the level of China's protection for patents has basically reached that of the world. This law not only has implemented the party's policy of respecting knowledge and intellectuals and significantly aroused the zeal of scientists, technicians, and the masses to engage in inventions, but also has created a good legal environment and good legal conditions for carrying out reforms, opening up to the outside world, bringing in foreign capital, and launching joint ventures and cooperative projects.

Li Lanqing continues: As economic and scientific-technological competition has become increasingly vigorous among countries today, protection for patents and intellectual property rights has become increasingly important, and governments of all countries are attaching great importance to the protection of intellectual property rights. This issue has become an important part of all countries in promoting foreign economic relations, trade, and diplomacy. The Chinese Government also attaches great importance to this issue, and the "Decision on Strengthening the Protection for Intellectual Property Rights" which the State Council will soon promulgate will be instrumental for China to intensify its efforts in protecting patents and intellectual property rights in China. Thus, as our reforms continue to proceed, our opening up policy continues to broaden, and our socialist market economic system continues to improve, we must waste no time in intensifying our efforts in protecting patents and intellectual property rights. We must intensify our efforts in publicizing and enforcing the Patent Law and in supervising its implementation, energetically heighten the whole society's patent awareness, especially the awareness of leading cadres of departments in charge of science, technology, economic affairs, and trade. We must make sure that issues relevant to patents and intellectual property rights are placed high on our agendas.

Ren Jianxin, member of the CPC Central Committee Secretariat and president of the Supreme People's Court, attended and addressed the meeting. He said: In the last decade, not only have we had a rather comprehensive Patent Law, which is up to advanced international standards, as well as other supporting regulations, but we have also made conspicuous and substantial headway in areas governing patent application, patent authorization, and patent protection. In a sense, the market economy is

an economy based on law. The Patent Law is an important law for safeguarding the order of the market economy and protecting fair competition. The trend of development over the past several years shows that people have become increasingly aware of the importance of using legal measures to safeguard patent owners' legitimate rights and interests, to stop patent infringements, and to prevent patent disputes; and that tasks in protecting patents have become increasingly arduous. Ren Jianxin urged people's courts and patent offices at all levels to work even closer, train more personnel specializing in patent protection, intensify efforts in handling cases about patent infringement, strictly punish patent violators, and fairly handle each and every case of patent dispute so as to safeguard China's patent system and create a new situation for patent protection.

Present at the meeting were Fei Xiaotong and Wu Jieping, vice chairmen of the NPC Standing Committee; comrades in charge of the NPC Committee for Education, Science, Culture, and Health; comrades in charge of the NPC Standing Committee's Law Committee; comrades in charge of relevant departments and committees of the State Council; and representatives from legal circles and some enterprises in the capital.

#### **Circular Issued on Pirating of Audio, Video Discs**

OW1904141594 Beijing XINHUA in English 1358  
GMT 19 Apr 94

[Text] Beijing, April 19 (XINHUA)—The Chinese Government has issued a circular to the nation today, urging all localities to strengthen management of compact audio and video discs and punish severely unauthorized duplicating and pirating.

According to the circular, which was jointly issued by the Propaganda Department of the Chinese Communist Party Central Committee and some government departments, the production, authorized duplication of compact audio and video discs must get the approval of the state office for the press and publications and unauthorized duplicating and pirating must be severely punished in order to protect the rights and interests of copyright holders, publishers and consumers.

The state will carry out a national checkup of the audio and vidual market and strictly control the import and export of the modules of compact audio and video discs, according to the circular. But the circular did not say when the national checkup will be carried out.

#### **First Quarter Statistics Show Economic 'Growth'**

HK2004041794 Hong Kong TA KUNG PAO in Chinese  
19 Apr 94 p 2

["Special dispatch" by staff reporter Ma Ling (7456 3781): "State Statistical Bureau Spokesman Says First Quarter Sees Economic Growth at 9 to 10 Percent"]

[Text] Beijing, 18 Apr (TA KUNG PAO)—At a press conference held here today, Ye Zhen, spokesman for the State Statistics Bureau, said: The mainland's economic

operation in the first quarter shows that the comprehensive appraisal of the country's economy has shifted from the "red light" and "yellow light" situation at the end of last year to the current situation of "yellow light" and "green light." Economic growth in the first quarter has reached the expected goal of 9 to 10 percent which was the overall target of macroeconomic regulation and control.

Giving an account of the first quarter, Ye Zhen pointed out: GNP for the first quarter totaled 862 billion yuan. Viewed from the internal economic structure, the excessive increase in production, construction, and sales has dropped somewhat. Of this, added value of industry amounted to 533 billion yuan, an increase of 16 percent over the same period in 1993. Energy production also increased steadily. Investment by the state sector in fixed assets totaled 81.5 billion yuan, an increase of 36.2 percent over 1993. The investment set up had the following three characteristics: First, the growth in local projects decreased while that of central projects increased rapidly; second, transportation, post, and telecommunications further strengthened; and third, the confusion in real estate was brought under control and the number of housing projects aimed at improving basic housing conditions increased. The volume of retail sales in the first quarter totaled 352.2 billion yuan, 3 to 4 percent lower than normal years. The overall market situation remained steady with some slack. In the first quarter, average real income of urban and rural inhabitants for living expenses rose by 9.3 and 13.1 percent respectively over the same period last year.

Ye Zhen's account of the first quarter continued: First, exports increased sharply and the exchange rates remained steady. The volume of exports in the first quarter totaled \$19.1 billion, up 18.2 percent from the corresponding period of 1993; the volume of exports [word as published] reached 29.4 billion yuan, up 18.2 percent, with imports exceeding exports by \$1.3 billion. [figures as published] Second, revenue increased steadily and expenditure remained normal. Revenue in the first quarter increased by 21.4 percent and expenditure was up 23.8 percent. Third, the financial situation was stable as was the withdrawal of currency from circulation. In the first quarter, the banks granted 35.1 billion yuan in loans and received 207.2 billion yuan in deposits. The currency put into circulation before the Spring Festival was withdrawn by the end of March.

Meanwhile, Ye Zhen stressed that, viewed from the economic situation during the first quarter, we still face serious difficulties and problems and the tasks for the next stage are extremely arduous. The difficulties and problems include: First, soaring prices. In the first quarter, the country's retail prices, mainly of the basic necessities, rose 20.1 percent compared to last year. The highest rates were registered in Haikou, 34.1 percent; Urumqi, 30.6 percent; and Nanjing, 30.1 percent. Moreover, prices rose 24 percent in Beijing, 26.3 percent in Tianjin, 23.3 percent in Shanghai, and 24.3 percent in Guangzhou. Thanks to the measures adopted by the



government at all levels, Ye said, price increases eased somewhat in March. Second, difficulties in the operation and production of state enterprises were further aggravated. In the first quarter, state industry increased by only 2.2 percent over the same period last year and both the number of losing enterprises and the amount of their deficits increased. Some 49.6 percent of enterprises suffered losses, with the amount of deficits totaling 15.7 billion yuan. The main reasons include: The failure of enterprises to change their mechanisms; hidden deficits were made public following the reform of the accounting system; and overall losses did not increase but losses in certain enterprises increased somewhat following the tax reform and enterprises which had made small profits in the past turned into loss-making enterprises. Third, there are still hidden worries in agricultural production, the gap in incomes between urban and rural inhabitants further widened, and some households with low incomes could not make both ends meet.

Ye Zhen said that macroeconomic control and regulation is now at a crucial stage and consideration will be given to stable prices and economic growth in the future.

#### **Central Bank Official Says Credit Control To Continue**

OW2004085394 Beijing XINHUA in English 0839 GMT 20 Apr 94

[Text] Shanghai, April 20 (XINHUA)—Control over the expansion of credits will continue even though the financial situation nationwide is stable, a People's Bank of China [PBC] official said today.

This decision of the central bank was taken in view of soaring prices, said Vice-President Dai Xianglong of the bank.

As some state-owned enterprises are facing increasing financial difficulties, banks will extend loans for operational funds on a case-to-case basis while continuing to tighten the control over investment in fixed assets, Dai added.

Speaking at a national conference now in session here, the bank official described China's financial situation as "generally good" while "problems do exist."

By the end of March, he noted, three billion yuan had been withdrawn from circulation in the spring festival shopping spree, meaning that the total amount of newly issued bank notes in circulation was 25 billion yuan less than a year ago.

In the first quarter of this year, savings deposits by urban and rural residents throughout the country was 117 billion yuan more than the same 1993 period. Bank deposits by enterprises last month was 26 billion yuan more.

Also in the first quarter, banks and rural credit cooperatives extended an additional 15.7 billion yuan in agricultural loans, 3.8 billion yuan more than a year ago. Key construction projects "have had better-than-expected access to funds," he said.

Meanwhile, the PBC vice-president warned that investment in fixed assets, taken as a whole, was still "too large" and inflation "was showing no sign of improvement."

"We must remain cool-headed," he said, asserting that the central bank would continue focusing on stabilizing the currency to ensure "an appropriate rate of economic growth."

#### **Official Urges Enterprises Increase Market Analysis**

OW1904223194 Beijing XINHUA Domestic Service in Chinese 2119 GMT 23 Mar 94

[By reporter Ding Genxi (0002 2704 0823)]

[Text] Guiyang, 24 Mar (XINHUA)—Speaking at a national meeting of managers of chemical and light industrial companies here recently, Ma Yimin, vice minister of internal trade, urged cadres and workers of chemical and light industrial companies, as well as material supply enterprises throughout the country, to step up analysis and forecast of the market, to seize the opportunity to meet challenges, and to push the stamina and economic efficiency of chemical and light industrial as well as material supply departments in China to a new height.

He said: This year, with the state further tightening control over credit, the shortage of funds will remain. Therefore, all material supply enterprises should take effective measures to overcome the effect of unfavorable factors, should tap the potential for increased financial revenues, and should strive to improve management and operations and to raise the efficiency of using funds, thereby pushing the overall efficiency of material supply departments to a new height.

He said: In recent years, quite a few material supply enterprises have benefited from market analysis and forecast, earning profits year after year. However, some enterprises failed to attach importance to market analysis and to draw an accurate assessment of the situation, thus performing poorly and decreasing their efficiency whenever the market fluctuated. This year, the total demand and supply of capital goods are both expected to increase by a relatively large margin and to be balanced in general. However, prices of capital goods will be affected by the state's policies, energy, communications, and international market changes, in addition to supply and demand. Therefore, under the general trend of balanced supply and demand, we still cannot rule out price fluctuations, or relatively big price fluctuations of certain commodities in some regions during a given period of time. Hence, each and every material supply department is required to obtain a good grasp of the state's policies in a timely manner, to collect information of all kinds, and to step up dynamic analysis and forecast of various commodities in order to keep abreast of market trends and changes and to make decisions on operational strategies. Only by so doing can material



supply enterprises become profitable and be able to continually expand and enliven their operations.

### Construction of Coastal Shelter Forests 'Progressing'

HK2004062994 Beijing ZHONGGUO XINWEN SHE in Chinese 1130 GMT 3 Apr 94

[Text] Beijing, 3 Apr (ZHONGGUO XINWEN SHE)—The construction of coastal shelter forests, one of China's key forestry ecological engineering projects, is progressing rapidly. At present, over 14,000 km of major continental coastal forest shelter belts exist, forming a "Green Great Wall."

Since the beginning of the construction of China's coastal shelter forest system in 1988, over 30 million mu of land has been afforested in six years. Since 1991, in particular, the speed of the construction of coastal forest shelter belts in various localities has increased rapidly. In a span of three years, 20 million mu of land has been afforested along more than 5,000 km of coastline.

Fujian, Hainan, and Qingdao are at the country's forefront in growing coastal shelter forests. On the basis of fulfilling the task of the first phase project in growing coastal forest shelter belts in 1992, Fujian Province began last year to concentrate its efforts on expanding major coastal forest belts and farmland forest nets, and has built a 3,100 km "Green Great Wall" along the province's 3,300 km coastline. Hainan Province has grown over 1,400 km of major forest belts along its more than 1,500 km coastline.

The construction of the coastal shelter forest system has greatly reduced the impact of typhoons, tidal waves, and rainstorms, which occur several times a year, and has given effective protection to 48 million mu of farmland. Half of the counties on coastal plains have grown farmland forest nets and one-third of the coastal mountain counties have grown trees on all barren hills and mountains. This apparently has improved the ecological environment, and even the investment environment of coastal areas.

### Ministry Notes 'Steady Growth' of Steel Output

OW2004092794 Beijing XINHUA in English 0654 GMT 20 Apr 94

[Text] Beijing, April 20 (XINHUA)—China reports a steady growth in steel output in the first quarter of this year, with steel products made to meet the needs of the market, the mix of production improving and profits uplifting.

Still, the steel industry has found itself in a tight corner, due to insufficient funds, debt chains that have long been harassing its enterprises, and relatively low output of iron ore.

Data released on Tuesday [19 April] by the Ministry of the Metallurgical Industry show that in the first quarter of this year China turned out about 22.954 million tons

of steel, 22.149 million tons of iron and 20.293 million tons of rolled steel, a hefty rise of 7.66 percent, 11.30 percent and 9.47 percent over the same period of last year, respectively.

Steel production in the first quarter featured a high growth rate in the output of continuous-cast steel ingots.

More than 8.86 million tons of continuous-cast steel ingots was produced from January through March this year, an increase of 1.867 million tons over the same period of last year. Its proportion in the total output rose from 32.82 percent to 38.62 percent, meeting the requirements set for the year-end.

The mix of the first quarter's production was also characterized by the iron and steel producers' satisfaction of market needs. They concentrated on raising the output of the steel products that are badly needed by national economic construction.

The output of heavy rails needed by the Beijing-Kowloon railway project, for example, jumped by 112,200 tons, a sturdy 54.19 percent rise over the previous year's figure.

The production of light rails, silicon steel, and various types of steel plates and wires also increased by a big margin, and the growth rate of alloy steel jumped by 36.64 percent.

However, by the end of February the amount of credit due topped 60.7 billion yuan for the whole sector and the amount of debt hit 42.1 billion yuan, increases of 146 percent and 134 percent, respectively, over the same period of last year.

The iron and steel enterprises are still in financial straits, lacking working capital.

In addition, the planned iron ore output in the first quarter this year was 7.91 million tons short.

### Beijing To Increase 'Farmland Preservation' Zones

HK2004050094 Beijing CHINA DAILY in English 20 Apr 94 p 1

[By Wang Yonghong: "Ministry Steps Up Bid to Preserve Nation's Farmland"]

[Text] The central government is to boost the number of farmland preservation zones around the country, the Agriculture Ministry said yesterday.

The move is part of a bid to keep the arable acreage at roughly current levels until the end of the century—levels which are still nearly 20 million hectares short of what China needs to feed and clothe its people.

And it comes as the government makes every possible effort to preserve the country's farmland which has been overwhelmed in recent years by the growth of towns and cities.

The move was initiated by the State Council and aims to curb the use of farmland for non-agricultural purposes, a ministry official said.

And now a set of rules and regulations to protect farmland have been jointly drawn up by the Ministry of Agriculture and the State Land Administration and they will be issued later this year the official said.

The regulations say all non-agricultural use of farmland must be first approved by the authorities and the user will be required to pay for such use. However the official declined to elaborate.

China has only about 96 million hectares of arable land to feed its 1.2 billion people. That's about 0.087 hectares of land per head.

Chinese agricultural experts believed the minimum requirement is 110 million hectares of grain cropland, plus 5.7 million hectares of cotton-growing land.

Nevertheless, the limited farmland is still being overrun by an invasion of industrial and residential developments, said land administration officials.

A report in the Beijing-based ECONOMIC REFERENCE NEWS, says 747,000 hectares of farmland have been lost in the past two years, particularly affecting grain and cotton crops.

The State Council, China's cabinet, launched a basic farmland preservation drive in 1992, urging all local governments to put mandatory preservation orders on their high-yield cropland.

The programme covers rich rural land, suburban vegetable farms, and national or local agricultural production centres.

The pilot programme has so far led some 900 counties, or 45 per cent of the country's total, to set up protection zones.

In Shanxi Province, protection orders have been put on 3 million hectares of land, 61 per cent of its total, while zones have been set up to cover 80 per cent—4 million hectares—of the counties in Jiangsu Province.

Meanwhile, most of local governments have also issued related regulations, rules or policies specifying details of the programme. However, the official said some problems still exist such as the lack of management of the protected zones and the regional protectionism.

To make up the massive land deficit, China has launched several projects to reclaim or develop its 33 million hectares of wasteland and switch some of its 333 million hectares of grassland to agricultural use.

#### Central, South Expand Rice-Growing Areas

OW1904130594 Beijing XINHUA in English 0910  
GMT 19 Apr 94

[Text] Beijing, April 19 (XINHUA)—Forceful measures have been taken in central and south China to expand the rice-growing area this spring.

Nine rice-growing provinces reported a combined increase of rice cultivation area of over 66,000 ha this year although the labor force has been reduced gradually due to the relatively low profits from rice-growing.

In central China's Hunan Province, the total rice-growing land remained at over 1.66 million ha, and that for early-season rice expanded to more than 730,000 ha, a sturdy 10 percent rise from last year.

In Guangdong, a booming coastal province in South China, over 50 grain-producing counties have been set up and a series of preferential policies enacted to encourage farmers to grow more rice.

Thanks to the steps taken by the local government and the rise of rice prices, the province has cultivated about 670,000 ha of fine-breed rice, an increase of over 130,000 ha from the same period of last year.

The provincial government in Zhejiang, in East China, has assured farmers that early rice will be purchased at a price of 96 yuan per 100 kg this year. In addition, the contracted price will be adjusted according to any new price rate.

The early-rice land in the province has reached about 870,000 ha this year, 60,000 ha more than last year.

Great efforts have also been made to expand the rice-growing areas in other provinces and regions throughout the country, including Guangxi, Jiangxi, Hunan and Anhui Provinces.

The local governments have decided to offer more loans to back grain production this year and help farmers to overcome any kind of problem likely to hinder the increase of the grain output.

#### XINHUA Profiles Legend Computer Company

OW1904171894 Beijing XINHUA in English 1522  
GMT 19 Apr 94

[Text] Beijing, April 19 (XINHUA)—With IBM, Compaq and other world big-name computer businesses biting into the burgeoning China market, China's largest computer enterprise has mapped out a blueprint to vie for a larger share both of the home and the world markets.

According to Vice-President Li Qin of the Beijing Legend Computer Group Corporation, the corporation sold a total of more than 27,000 microcomputers, or seven percent of the Chinese market, to rank top among the country's computer enterprises and companies.

He said that his corporation will strive to raise its sales volume to 45,000 to 50,000 sets, or some ten percent of the domestic market.

Almost all of the world's well-known computer manufacturers and companies are betting on the Chinese market, the potentially largest single market of the world. They have virtually ignited a battle for a share of the China market, Li said.

He added that many Chinese computer undertakings have been forced out of business as their foreign counterparts keep encroaching.

His Legend group has to outpace or at least follow closely the development tempo of the home market, if it is to survive the ever tougher market competition, the vice-president stressed.

Official statistics show that the sales volume of computers in China last year was up 80 percent over 1992, but the market share for Chinese-made computers declined, standing at 37.8 percent of the total.

Li disclosed that his corporation will undertake drastic changes this year, as it has laid down a package of bold reform measures designed to help institute an operating set-up that will reflect market fluctuations.

The corporation will, to the fullest extent, bank on high-tech advantages to renew its product models as fast as the world market alters. Meanwhile, it will tap both the visible and invisible resources brought in by its brand-name products and the credible image that the company enjoys, according to Li.

To respond to the market more promptly, the corporation will this year improve its purchasing and selling channels as well as the form of credits and loans. It will also cut down the delivery time from more than three months to less than a month.

The vice-president said that his company expects to bring 10 percent off the cost of computers by speeding up working capital turnover and reducing expenditure, so as to make Legend brands more competitive in terms of pricing.

To cater to the diversifying needs of the domestic market, the Legend group has been engaged in developing high-quality and inexpensive new models while promoting its already first-class brand names.

Li said that his company will spare no efforts to improve the current agency system. At least some 200 agents will be added this year to help form a national distributing and marketing network characterized by branch companies, occupational agents and regionally-stationed agents.

Meanwhile, the legend group will spend five million yuan to raise the number of maintenance centers from 31 to 70, scattered across the country. The guarantee period will also be extended from one year to three years so as to provide better after-sale service for all customers.

The vice-president said that the corporation will earmark a further 10 million yuan for publicity to make both the company and its brands better known.

According to him, the corporation has reformed its management regime and re-organized its leadership, giving all departments autonomy in personnel matters, budgeting and policy-making.

He said that nine out of ten general managers of the corporation's 43 branches are in their thirties.

According to Yang Yuanqing, a branch manager, Legend brand computers have outplayed their national cousins in sales volume for two years running. The corporation now produces one tenth of the world's total output of major computer components.

The assets of the Legend group has grown from a mere 200,000 yuan in 1984, when it was established, to more than 400 million yuan, and it has set up—at home and abroad—20 branch companies, two research and development centers, one experimental factory, two production bases and one training center, Yang said.

A poll last year showed that the Legend group was among the five microcomputer manufacturers best received by Chinese customers, the only one from China.

Vice-President Li Qin said that the Legend group, joined by the country's other big computer businesses, has vowed to develop a series of "Chinese" computers in an attempt to vitalize China's fledgling computer industry.

"The banner of China's computer industry shall after all be held up high by the Chinese, and the development track of China's computer industry will eventually be opened up by the Chinese too," Li noted.

#### **Banks Service Science, Technological Development**

*OW2004013194 Beijing XINHUA in English 0122 GMT 20 Apr 94*

[Text] Nanning, April 20 (XINHUA)—The total sum used for Chinese bank loans to support science and technology development has increased hugely over the past decade.

Bank loans which went to science and technology sectors increased from merely 15 million yuan in 1984 to 6.3 billion yuan in 1993, according to a conference sponsored by the China Commission for the Promotion of Relations Between Science and Technology and Banking, which was held yesterday in Nanning, capital of southwest China's Guangxi Zhuang Autonomous Region.

At present, only about 15-20 percent of the scientific and technological achievements in China can be put into practical use, due to the lack of necessary funds, according to the meeting.

However, banking services related to science and technology undertakings have been developing rapidly over the past few years since the People's Bank of China initiated a science and technology loans project and various professional banks started similar services.

Banks have become another accelerator for the development of science and technology following state budgets and funds raised by enterprises on their own.



In 1984, the Bank of Industry and Commerce and the Bank of Agriculture took the lead in granting loans to the development of science and technology, which reached 15 million yuan for the year.

The figure reached 6.3 billion yuan in 1993 when the country's finances were in disorder for a time. Of the loans, 1.2 billion yuan went to the "Spark Program" in favor of local economic development, 1.7 billion yuan went to the "Torch Plan" in support of the development of high- and new-technology projects, and 900 million yuan went to a program which is aimed at the promotion of new technologies among traditional enterprises.

The other funds went to research programs on the application of military technology to civil use, application of achievements of research institutes, exploration of resources, environmental protection and the development of new medicines.

Under the coordination and support of the People's Bank of China, professional banks have developed the services for nearly a decade and have achieved great economic gains.

Statistics from Shenyang, a major industrial city in north-east China's Liaoning Province, show that high and new technologies contributed to about 31 percent of the output value yielded by the enterprises in the city last year, largely because of support from bank loans.

**Pilot Cities To Carry Out Comprehensive Reforms**  
*OW2004022994 Beijing XINHUA in English 0219 GMT 20 Apr 94*

[Text] Ningbo, April 20 (XINHUA)—China's second round of comprehensive supplementary urban reform is being instituted in 18 pilot cities to pioneer the establishment of a socialist market economic structure.

This was revealed at a national conference held here on comprehensive supplementary urban reform.

The 18 cities are Tianjin, Guangzhou, Wuhan, Harbin, Changchun, Shenyang, Nanjing, Chengdu, Xian, Chongqing, Ningbo, Anshan, Tangshan, Yantai, Tongling, Changzhou, Quanzhou and Yanji.

These cities, large and small, coastal and inland, are highly reform-motivated, with solid foundations in economic reform and economic development, and the experience drawn from the pilot cities could have great impact on the national urban reform.

The cities will be the major areas of the new round of urban economic reform and their influence is expected to promote China's market economy, said Wang Shiyuan, vice-minister of the State Commission of Economic Restructuring.

The pilot reform measures carried out by these cities include:

- Reform the property rights system to transform enterprises in line with common practices in modern enterprises in the world;
- Bring the market mechanism into full play in resources allocation, and cultivate and develop the market system;
- Change the functions of the government to serve the market development;
- Establish a sound social security system and reform the housing system.
- Carry on other supplementary measures in other fields to guaranteeing the overall economic reform.

The vice-minister said that different from other pilot schemes, the 18 cities will not enjoy privileges as such cities previously did.

"The experience drawn this way could be applicable in other places," Wang said, noting that preferential policies run against the market economy, which is based on competition on an equal footing and international practice.

Wang's commission will be responsible for designing standards for the experimental work, establish a work conference system among pilot cities, a liaison system and an "assessment quotas system for reform experiments."

**XINHUA Carries Economic News Briefs 17 Apr**  
*OW1704143694 Beijing XINHUA in English 1410 GMT 17 Apr 94*

[Text] Beijing, April 17 (XINHUA)—Today's economic news briefs:

**Engineering Industry Develops Rapidly in Guangxi**

The engineering industry has been developing rapidly in south-west China's Guangxi Zhuang Autonomous Region over the past few years, thanks to the adoption of a series of effective measures aimed at improving the management set-up of enterprises.

According to local officials, last year the autonomous region's engineering industry had a 7.5 billion yuan output value, with a sales ratio of 98 percent.

In the same year, enterprises in the engineering industry generated 1.4 billion yuan in profits and taxes for the autonomous region, and contributed 30 million U.S. dollars to the region's finances, from the exports of their products.

**Yunnan Transmits More Electricity to Guangdong**

Southwest China's power-rich Yunnan Province has transmitted 540 million kw/hour of electricity to south China's Guangdong Province since late last year.

Local officials from Yunnan Province say that they will continue to transmit an additional 900 million kw/hour

of electricity to the south Chinese province this year. Non-Governmental Investment Zone in Fuzhou Lures More Foreign Funds [subhead]

Fuxing Investment Zone in Fuzhou City, capital of east China's Fujian Province, has so far approved the establishment of 160 businesses, of which, 127 are Sino-foreign funded enterprises, involving a promised foreign investment of 300 million U.S. dollars.

At present, 70 enterprises in the zone have begun production.

Fuxing Investment Zone was established in 1991 by Gushan Township in the suburbs of Fuzhou with self-raised funds. Shanghai To Have More Telephones [subhead]

Shanghai plans to add 400,000 to 500,000 more lines to its telephone network this year, officials from the telecommunications authority said.

The largest city in China had 1.08 million lines by the end of 1993, of which 60 percent were house telephones. One fifth of the families in the city had telephones in their homes.

#### New Power Generating Sets in Operation

The first generating set of a 21,000-kw hydro-power plant in Zhaoping County of south-west Guangxi went into operation on Friday, following a third 220,000-kw generating set at the Tianshengqiao hydro-power plant on April 2.

#### Dehydrated Vegetable Plant

Building of a Sino-Israeli dehydrated vegetable plant able to treat 13,000 tons of fresh vegetables a year recently started in Wuhan, capital of central Hubei Province.

The Merhav Group, a leading Israeli company, will provide 2.61 million U.S. dollars worth of first-class dehydration equipment as well as technologies for its first venture in China. Its Chinese partners include the Wuhan Institute of Vegetable Sciences.

#### Expert Praises Enterprise Contract System

HK1804125994 Beijing JINGJI GUANLI in Chinese No 1, 5 Jan 94 pp 5-6

[Speech by Yuan Baohua (5913 1405 5478) at the "International Symposium on the Contracted Responsibility System of the Shougang Corporation" at the Shougang Corporation on 16 October 1993: "State Enterprises Must Properly Solve the Problem of Mixing Government Administration With Enterprise Management"]

[Text] I am greatly interested in this symposium because this is the first time that an international symposium on the enterprise contract system has been held in China. The fact that the contract system of the Shoudu Iron and Steel Corporation has aroused the interest of famous

professors and entrepreneurs at home and abroad indicates that the contract system is of positive significance not only in China, but also around the world. In particular, the contract system of the Shoudu Iron and Steel Corporation has given brilliant answers to some issues of a general character which are faced by both Chinese and foreign enterprises.

In my opinion, the current international symposium has been successful. The success lies in the consensus reached by the participants on several important issues concerning how enterprises should be properly run.

#### 1. The Management Ideology of Men Being the Foundation [subhead]

At present, various countries realize that the fundamental factor of running enterprises properly rests in fully releasing the initiative of staff and workers. Both the theory of "taking people as the foundation" proposed by the Shoudu Iron and Steel Corporation and that of "behavioral science" put forward by the Western countries are primarily aimed at fully releasing the initiative, wisdom, and creativity of staff and workers. This is a common understanding and is also the most important hallmark of modern enterprise management. Therefore, an enterprise that fails to release the initiative of its staff and workers cannot be called a modern enterprise, and an enterprise system under which the initiative of staff and workers cannot be released is not worthy of the name of a modern enterprise system. This concept is accepted by more and more people in China and the world. The more modern an enterprise is, the more necessary it is to fully release the initiative of its staff and workers. The view that the more modern the technology and equipment in an enterprise, the smaller the role of men, obviously does not accord with the trend of the times.

An important point of the management ideology that men are the foundation is reflected in the participation in enterprise policy decisions by staff and workers. In order to release the initiative of staff and workers, it is necessary to enhance their "awareness of being masters of the country." To enhance such awareness, it is necessary to let them assume the role of "masters." In the boards of supervisors in German enterprises, half of the members are representatives of staff and workers, who, being masters of half the enterprises, are directly participating in and supervising major policy decisions of the enterprises. The system of a workers' representative conference practiced in the Shoudu Iron and Steel Corporation also allows staff and workers to directly participate in and supervise enterprise policies. This is an important foundation leading to the success achieved by the Shoudu Iron and Steel Corporation. Therefore, the participation in and supervision of enterprise policies by staff and workers have become a significant trend of modern enterprise management. It is also an important yardstick for measuring whether an enterprise is practicing a modern enterprise system.



## **2. State-Owned Enterprises Should Properly Resolve the Issue of Mixing Up Government Administration With Enterprise Management**

The issue of mixing up government administration with enterprise management in making policy decisions universally exists in state-owned enterprises all over the world, which is the root cause of low efficiency and poor performance in state-owned enterprises. Owing to the failure of resolving this issue, an upsurge of privatization was set off around the world. In China, it is necessary to develop the private economy, but it is impossible to let all enterprises privatize. Likewise, it is impossible for all state-owned enterprises in various countries to privatize at present. Hence, we should conscientiously study the knotty problem of mixing up government administration with enterprise management. The Shoudu Iron and Steel Corporation has made a breakthrough in resolving this problem by practicing a contract system, and the key of the breakthrough rests in the rational definitions regarding the relationship between enterprises and government in terms of responsibility, power, and benefit, so that the ownership and management right of state assets are really separated. As a result, the Shoudu Iron and Steel Corporation is robust in its independent operation. In fact, it is not difficult to separate the ownership from management rights in the private economy, but it is very difficult to do this in the state-owned economic sector. The contract system practiced in the Shoudu Iron and Steel Corporation is a useful experiment, and it can be called a new contribution that the enterprise has made.

## **3. The Incentive Mechanism in Enterprises**

International experience shows that the incentive mechanism in private enterprises refers to the property mechanism and market mechanism. However, this incentive mechanism is chiefly effective for owners and operators, and not for staff and workers. Recently, a new wage system was introduced in Britain, under which the employers of industrial and commercial enterprises no longer pay all the originally fixed wages to staff and workers. Instead, they pay only two-thirds of their wages, while the remaining one-third is linked to the profits of enterprises and their amounts are decided by the size of enterprise profits. Thus, the mechanism of distribution linked to performance is introduced into the labor market in determining laborers' wages. This change has shown that the incentive mechanism in enterprises is developing in the direction of mobilizing the enthusiasm of owners, operators, and workers. The success of the distribution system of the Shoudu Iron and Steel Corporation lies in its reflection of mutual existence and common prosperity of the interests between government, enterprises, staff, and workers. This is an orientation for both state-owned and private enterprises.

The Shoudu Iron and Steel Corporation is an example of China's enterprise reform, and the contract system is a focal point of the reform in which "the contract is regarded as a foundation," as people in the Shoudu Iron and Steel Corporation put it. The contract system and

the complete set of measures relating to it practiced in the corporation is of universal significance to enterprise reform in China. Just as Mr. Chao Yao-tung from Taiwan said in his thesis presented to the symposium, "it was necessary to thoroughly put into practice the spirit of the contract system," and "since the spirit of the contract system implies independent operation, self-accumulation, self-transformation, and self-development, and advocates separating ownership from management rights, then the owners of enterprises should give full and complete authority to the managers." Of course, there is still something imperfect in it. That is why we should adopt a positive attitude to making it perfect. What needs emphasizing is that, taken from a development point of view, the perfection of the contract system must be connected with the institution of a modern enterprise system. That means the two systems should be joined together, and this calls for carrying out in-depth reform in various aspects, including the system of ownership and management rights, the system of organization, the system of management, and so on, and genuinely establishing an operational mechanism which is suited to the requirements of a socialist market economy. No operational mode is invariable. The ever-developing market economy always calls for us to constantly accept new things and quicken the pace of reform. An important aspect of the modern enterprise system is to practice a joint-stock system in enterprises and set up limited liability companies. As a matter of fact, a contract system does not reject a joint-stock system, and they are compatible. The model of "combining the contract system with the joint-stock system," initiated by the Shoudu Iron and Steel Corporation, is the best proof of it. In this sense, its contract system bears a scientific and modern character to a certain extent.

## **Experts' Views on Economic Development**

HK1904105194 Beijing JINGJI RIBA0 in Chinese 4  
Mar 94 p 5

[By Zhang Tai (1728 3141) and Zong Yuanyuan (1350 0337 0337): "Experts Analyze and Forecast China's Economic Development Trend"]

[Text] Not long ago, "China's Macroeconomic Analysis System" conducted its sixth survey of the economic situation. Questionnaires were sent to 200 relevant experts and 158 were collected, the return rate being 79 percent.

## **I. Assessment of the Economic Development Trend in 1993**

The survey findings indicate that the experts affirmed and felt satisfied with the measures taken by the central government to strengthen macroeconomic regulation and control. They also pointed out the problems in economic development. The prevailing opinions are as follows: 1) Among the experts, 75.9 percent consider that economic development maintained the momentum of a fairly high growth, but its speed tended to be too fast,



exceeding the sustaining power of the infrastructure and the basic industries; 2) 74.6 percent think the measures of macroeconomic regulation and control were rational and that the force with which the measures were implemented was appropriate. As a result, positive results were attained, promoting improvement in the relationship between supply and demand; and 3) 53 percent think money supply was still too great and there was no clear evidence to show that the trend of soaring prices had been reined in. The experts are deeply worried about high price levels and consider this the chief factor that might affect the smooth introduction of the reform measures this year and the healthy development of the national economy.

The experts expressed their opinions on those more conspicuous problems in economic life in 1993:

- Judgment on the causes of the chaotic economic order that occurred in the first half of 1993. Over half the experts hold that economic disorder mainly manifested itself in the monetary disorder. Among the experts, 35.4 percent blame the ineffectiveness of the macroeconomic regulation and control measures by the central bank, 21.5 percent blame the nonstandardized conduct of the banks and other monetary institutions, 20.3 percent blame the overemphasis on economic growth, 11.4 percent blame overinvestment in real estate and in marketable securities, and 3.8 percent blame the fact that the planned management structure was weakened.
- Analysis of the shortage of funds of state-owned enterprises in the latter half of 1993. Comparatively speaking, the experts focus more attention on the problems of state-owned enterprises themselves. The main causes accounting for the shortage of funds of state-owned enterprises are listed according to the number of experts who selected them: Low benefits of state-owned enterprises (22.8 percent), irrational orientation of funds investment (21.5 percent), irrational product mix (12.7 percent), high economic growth (10.1 percent), lagging reform of the investment system (10.1 percent), and irrational behavior by banks (8.9 percent).
- Analysis of the phenomenon that the pace of economic growth decreased month by month while the retail price index remained high in the latter half of 1993, and especially the price hike at the end of last year. There were nine choices in the survey for the experts to choose from. Here is the list of the main causes which more experts selected: First, as the price index is an indicator which lags behind, the rapid economic growth and the excessive scale of investment in the first half of the year was inevitably reflected in the price index in the latter half of the year (39.2 percent); second, the big price hike in daily necessities correspondingly brought about a rather strong chain effect (24.1 percent); third, the year 1993 was a crucial year for pushing the reform in various fields comprehensively. However, people expected high inflation and

there were signs of unstable customer mentality owing to certain deviations in the guidance of public opinion and the lack of explanation (17.7 percent); fourth, given that the economy grew at a high speed, while the supply and demand relationship tended to be strained, the increase in costs drove up prices more quickly (10.1 percent).

## II. Predictions of the Economic Situation in 1994

1. The questionnaire included a comprehensive set of questions about the development of the national economy in 1994. The experts generally agree that the national economy will maintain the momentum of a fairly quick development.

- On GNP growth rate, 40.5 percent of the specialists think it will stand at 9 to 11 percent, while 38 percent think it will be 11 to 13 percent and 19 percent think it will be 13 to 15 percent. No one thinks that the growth rate will be lower than 9 percent. This shows that the experts generally consider that the economic growth rate this year will remain high.
- On the industrial growth rate, 49.4 percent of the experts think it will stand at 17 to 20 percent, while 24.1 percent think it will be at 20 to 25 percent and 17.7 percent think it will be at 15 to 17 percent.
- The growth of the consumer goods market is considered on the whole to be just the same as last year. Among the experts, 44.3 percent predict the growth rate of volume of retail sales will stand at 16 to 20 percent, while 32.9 percent think it will be at 20 to 24 percent and 17.7 percent think it will be at 12 to 16 percent.
- On the growth rate of the fixed-asset investment scale, 29.1 percent of the experts consider the growth rate will be 35 to 40 percent, 25.3 percent consider it will be over 40 percent, and 19 percent consider it will be 30 to 35 percent.
- On the financial situation, 43 percent of the experts hold that the financial deficit will on the whole remain the same as last year, 38 percent hold that it will be higher than last year and 17.7 percent hold that it will be lower than in 1993.
- On the banking situation, 41.8 percent of the experts think that money supply (M2) will increase by 25 to 30 percent, 22.8 percent think it will increase by 30 to 35 percent and 16.5 percent think it will increase by 20 to 25 percent.
- On the increase in the general level of retail prices 32.9 percent of the experts think the increase will be 10 to 12 percent, 29.1 percent think it will be 8 to 10 percent and 22.8 percent think it will be 12 to 14 percent.

2. The experts attach great importance to the inadequate supply capacity of infrastructure and basic industry. They make predictions of the supply and demand trend in railroad transportation, energy and raw materials.

They consider that railroad transportation is the strongest restraint on economic development, while energy comes next and raw materials supply after that.

On railroads: 1) 48.1 percent of the experts hold that the gap between supply and demand will further increase; 2) 45.6 percent hold that it will remain at the same level as in 1993; 3) 3.8 percent hold that there will be a basic balance between supply and demand; and 4) 2.5 percent hold that supply will exceed demand.

On energy: 1) 35.4 percent hold that the gap between supply and demand will further increase; 2) 59.5 percent hold that it will remain at the same level as in 1993; 3) 2.6 percent hold that there will be a basic balance between supply and demand; 4) 2.5 percent hold that supply will exceed demand.

On raw materials: 1) 22.8 percent hold that the gap between supply and demand will further increase; 2) 50.6 percent hold that it will remain at the same level as in 1993; 3) 22.8 percent hold that there will be a basic balance between supply and demand; 4) 3.8 percent hold that supply will exceed demand. III. Suggestions Concerning the Macroeconomic Regulation and Control and Economic Restructuring in 1994 [subhead]

1. Suggestions about the macroeconomic regulation and control.

—The experts point out that it is necessary to further improve the macroeconomic regulation and control to create a good external environment for the introduction of various reform measures. On the question of the force of its implementation, 55.7 percent of the experts think it should be kept the same as in 1993, while 25.7 percent think it should be relaxed and 16.5 percent think it should be strengthened.

—On the question of interest rate policy, 62 percent of the experts think it should be maintained at the level of 1993 while 32.9 percent think it should be properly raised.

—On the question of the exchange rate policy, 45.6 percent of the experts suggest keeping the renminbi exchange rate at the present level, i.e. 8.7 yuan to \$1, 36.7 percent suggest that it should be devalued to the proper extent, while 13.9 percent suggest that it should be revalued. The combination of the exchange rates of the renminbi and its exchange under control is approved by 83.5 percent. They consider the timing appropriate.

2. Suggestions about economic restructuring.

a. The experts point out that the most urgent task at present is to establish the socialist market economy system. They suggest that the current major tasks be arranged in the following order: Establish a modern enterprise system (38 percent); quicken the reform of macroeconomic regulation and control measures such as the tax, banking, and investment systems (24.1 percent); establish and perfect an open, competitive and orderly

market system (17.8 percent); and quicken the establishment of a social security system (15.2 percent).

The experts hold that it is highly necessary to quicken the reform of the tax, banking, and investment systems. Practicing the tax-sharing system is supported by 84 percent of the experts; 82 percent are for raising the proportion of the central finance in the total financial revenue; 60 percent are for the establishment of policy-oriented banks, separating policy-oriented business from commercial business; and most experts consider that growth in the investment in fixed assets has a lot to do with the investment system and 91 percent of them are for the reform of the investment system.

b. The experts pay special attention to the improvement of the enterprise environment for external development. The problems of the environment for development in state-owned enterprises are listed in the order of their importance: No well-defined line on property rights of enterprises (34.2 percent); lagging conversion of government function, nonstandardized behavior and too much interference in production and operation activities of enterprises (29.2 percent); heavy social burdens of enterprises (19 percent); failure in actual implementation of the "Regulations" (12.7 percent).

c. The experts also emphasize that great attention should be paid to handling the relationship between reform and development so as to avoid continuously widening the differences in economic and social development between regions. Among the experts, 86.1 percent hold that the central government should shoulder the responsibility for formulating a policy that is favorable to accelerated economic development in the middle and western parts of the country; 6.3 percent hold that reducing the differences should mainly rely on the efforts of the localities; while 7.6 percent hold that the strategy favoring development in the coastal areas should be continued and that it will be readjusted when the productive forces develop further.

#### Journal on Supply, Demand for Major Materials

HK2004063794 Beijing JINGJI GUANLI in Chinese No 2, 5 Feb 94 pp 14, 15

[By Yu Zengrong (6735 1073 2837): "Forecast of Trends in Major Materials Supply and Demand in 1994"]

[Text] China's quick economic growth rate and speedy development during 1992 ushered in a full boom in the markets for the means of production and prices have since been rising since then at a dazzling speed. In the first half of 1993, the total supply and demand of most materials were roughly in balance and a relatively high growth in total sales could still be maintained. There were three major characteristics in the price changes: First, prices increased monthly, peaking in June. Second, the prices of capital goods [tou zi xing wu zi 2121 6327 7352 3670 6327] rocketed, representing 90 percent of the total price increases. Third, the prices of seven major categories of materials (excepting chemicals) rose by



varying degrees. Since July, when the State's macroeconomic regulatory measures were introduced, the shortages of materials have been alleviated and prices have fallen slightly and tended to be stable.

What changes will there be in the supply and demand of materials in 1994? What will the trends be? The following are our views:

#### **I. The General Situation of Materials Supply and Demand in 1994**

First, total demand will not decrease.

1. The macroeconomic regulation and control this time is a structural readjustment and a change in the investment direction and flow volume of capital, not total retrenchment. Therefore, the ultimate demand of the means of production will not decrease. It is only a question of time difference.

2. In 1994, the total demand will grow on the basis of 1993 and the investment scale will not be smaller than in 1993, coupled with such factors as the undampened investment incentive of the localities and the belated effects of macroeconomic regulation and control. Thus, the demand will not decrease considerably in 1994.

3. The infrastructural projects initiated in 1993 constitute a very big demand market and will play an important part in the total demand for materials in 1994.

Second, the prices of the means of production will tend to be stable or on the rise.

1. The push from costs keeps the means of production prices high. The continuously increasing costs and lowering profits of productive enterprises prevent product prices from being lowered and this, in turn, keeps the prices of the means of production from plummeting.

2. Prices are influenced by the regulation and control of the state's macroeconomic policy. The fact that one-third of the coal output under unified distribution has had price controls lifted, that the iron and steel industry has resolved the question of "market price and fixed price," and that oil, electricity, and transportation industries have cut rising costs, coupled with the cancellation of the state's mandatory distribution plans for eight types of materials and the removal of all their price controls, will have an influence on the prices of the means of production.

3. The fact that the state is importing large quantities of materials from abroad will cause the prices of some means of production to stabilize and pick up.

Third, communications and transportation and capital input are major factors affecting the materials supply-demand balance.

Communications and transportation are not developing very quickly at the present time so that ships are too plentiful, ports are inadequate, and traffic congestion has obviously increased. Railway freight transportation in general can only meet less than 70 percent of the total

need and in some places, only 40 percent or so. It is also worrying that ports are seriously inadequate for sea transportation. The transportation capacity is so low that it will not improve in the near future and will probably get worse, directly affecting the materials balance across the country which, in turn, will cause price fluctuations everywhere.

Despite the fact that China can maintain a strong national economy and has a large demand for the means of production, serious fund shortages will weaken the purchasing, selling, and stocking power of enterprises. China is not only short of renminbi but also of foreign currencies. First, since imported goods have doubly increased, the foreign exchange needed has increased and there are difficulties in pooling foreign exchange. Second, since the foreign exchange supply-demand gap has widened, coupled with the role of the market, the renminbi exchange rates will probably fall and, since the prices of major raw materials on the international market have risen because China bought large quantities of them in the earlier period, the operational risks have increased. Therefore, although a general balance between the supply and demand of materials has been reached, the foundation for the balance is very weak and is restricted by the transportation "bottlenecks" and by the pooling of funds.

#### **II. Predictions For Major Materials in 1994**

First, there will be coal supply shortages and coal prices will increase. Affected by the changing prices of coal and transportation, and by the cancellation of the preferential policy for market coal, coal prices will rise considerably and the difference between the planned price and outside-the-plan price will continue to narrow. Owing to the inadequate transportation capacity, the difference between coal prices in northern and southern China will become more obvious and coal prices in coastal areas will rise gradually and in a staircase shape. There are two reasons for this:

1. The year 1993 was crucial for the coal industry in curbing losses and this implies that coal prices have entered the stage of substantive increase and that it is an inevitable trend that costs will push up coal prices in eastern and southern coastal areas.

2. The fact that the state will cut back on credit will probably make coal-producing enterprises quicken the recovery of money from sales. The inadequate railway transportation capacity will probably lead to coal shortages and an increase in coal prices.

Second, there will be a basic balance in the supply and demand of steel products.

Affected by the investment scale and retrenchment, the rising demand for steel products will be weakened. In addition to selling large quantities of hoarded resources, prices will tend to be stable and slightly lower and the decrease in the prices of construction materials will be comparatively obvious. Due to the sudden heating of the



machine tools market, steel products for production use tend to be in short supply and market supplies of silicon steel and bearing steel are also in short supply. Their supplies will continue to be inadequate in 1994 and steel products for production use are expected to rise considerably with each tonne fluctuating between 3,000 and 3,500 yuan. The entire price situation is that steel prices are lower in coastal areas and southern China than in inland areas and northern China.

Third, there is a shortage of timber resources and prices are consistently high.

In 1993, the total timber output was planned at 56.34 million cubic meters but the total demand grew by 23 percent. In the long term, whether domestic or international timber resources, they are inadequate. Moreover, hoping to reduce losses, timber distribution departments in all localities have sold most of their stock at reduced prices with the result that stock has decreased by 20.1 percent, making it more difficult to fill the timber-shortages gap in 1994. In the meantime, affected by world timber shortage and the frantic increases in prices, timber prices in 1994 are expected to be consistently high.

Fourth, cement demand will slightly decrease and the price differences between regions are obvious.

Because fixed assets investments are being reduced and real estate development is being slowed down, cement demand and supply tends to be stable and prices are decreasing. However, since the state has delegated the power of fixing cement prices to productive enterprises in eastern China, northeastern China, and Hunan, coupled with the shortages of high-grade and special-grade cement in the cement markets and with the drive from the construction projects already launched, supplies will tend to be short in the second half of 1994 and prices will gradually rise.

Fifth, nonferrous metals are regulated by the market and their supply and demand are stable.

Since the Shanghai Metal Exchange was established, the nonferrous metals market is already linked to the international market and has been developing well on a daily basis. In addition to meeting market demand, nonferrous metal resources also play a role in guiding and stabilizing market prices. In 1994, affected by fund shortages and exchange rates, the domestic nonferrous metals market will not fluctuate very much as a result of the resources shortages and market prices will fall steadily.

Sixth, petroleum products will rise steadily.

From 1994 onward, the state will only use fuels under the plan in key industries such as the defense industry, fertilizer production, and electricity generation, while oil for other sectors will basically have price controls lifted.

In addition, the increased output of Middle East oil and Iraq's restoration of oil exports, strike a balance between oil supply and demand on the international market and oil prices are decreasing. This is favorable for China to import oil to make up for the shortage of local resources caused by the inadequate transportation capacity. Moreover, affected by the international market, oil prices on China's market will also begin to fall. Therefore, supply and demand in 1994 will be stable in the domestic oil products market and their prices will fluctuate by a small margin. Gasoline prices will remain at the 1993 level but diesel oil prices will increase due to inadequate supplies as the state increases agricultural investment.

Seventh, chemical raw materials will be less in demand.

Since there is a certain degree of inertia in the growth of the speedily growing light industry, the following trends will appear in the chemical products market in 1994:

1. The supply of chemical products made from grain will become inadequate. The supply-demand contradictions in such chemical products as alcohol, glacial acetic acid and acetone will be salient and their prices will be consistently high.
2. The shortage of titanium white powder will affect the entire paint industry.
3. Various types of rubber will continue to be in great demand, especially synthetic rubber.
4. Some products made from calcium carbide will be in great demand.
5. The short supply of methanol and methylamine will be alleviated.
6. The supply of pure benzene, toluene, and dimethylbenzene will be obviously short in some southern areas, while their shortages in other areas will tend not to be alleviated.
7. The market prices of raw materials for plastic production such as high-pressure polyethylene, low-pressure polyethylene, and polypropylene will tend to be lower.
8. Demand in the auto market will be stable while the contradictions in its product mix will be salient.

Since the second half of 1993, the cutback on purchases, retrenchment, and funds shortages have checked the excessive expansion of the auto market. In 1994, supply will be slightly greater than demand in the auto market but it will generally tend to develop steadily, competition will be intensified, and the contradictions in the product mix will be very salient. The heavy truck market will be promising, medium-sized trucks will probably sell fairly well, sedan sales will be both gratifying and worrying, deluxe imported sedans will sell comparatively well, the prices of medium- and low-grade trucks will tend to be stable, and some low-grade trucks will be overstocked.

**East Region****Anhui Police Thanked for Qiandao Lake Investigation Role***OW2004005694 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 19 Apr 94*

[Report by (Feng Qi) and (Zhang Xiaochun); from the "Provincial Hookup" program]

[Text] On 17 April the Ministry of Public Security sent a congratulatory message to the Anhui Provincial Public Security Department, extending congratulations and solicitude to our public security cadres and policemen who assisted Zhejiang Province in cracking the exceptionally serious case of robbery, arson, and killing aboard the tour boat Hairui on Qiandao Lake; and expressing the hope our public security organs would continue to cooperate with their Zhejiang counterparts in carrying out follow-up work.

After the Hairui tour boat met with the mishap on Zhejiang's Qiandao Lake, the provincial public security department—upon receiving telephone calls from the Ministry of Public Security and Zhejiang Provincial Public Security Department asking Anhui to join hands and coordinate with Zhejiang in cracking the case—immediately deployed police forces and set up a tri-level joint special investigation group comprising personnel from the provincial public security department as well as the Huangshan city and Shexian county public security bureaus; earnestly implemented provincial party committee Secretary Lu Rongjing and Deputy Secretary Yang Yongliang's important written instructions on work related to the case; and formulated a detailed plan to give full assistance to Zhejiang Province's public security organs in investigating and handling the case. They carried out an around-the-clock investigation and other work, providing a basis for determining the focus and scope of the investigation.

The Zhejiang Provincial Public Security Department also sent a thank you message to the Anhui Provincial Public Security Department.

**Fujian Governor Discusses Xiamen's Development, Stability***HK2004062794 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 12 Apr 94*

[Text] Yesterday [12 April], Jia Qinglin, secretary of the provincial party committee and governor, separately attended the discussion sessions of the Xiamen, Fuzhou, and Ningde delegations to listen to their opinions on the government work report.

At the Xiamen delegation's discussion session, after hearing the deputies' speeches, Governor Jia Qinglin said: As a Xiamen deputy, I am pleased with Xiamen's economic achievements, which have attracted world attention. The party Central Committee, the State Council, and the provincial party committee, and government now have attached importance to Xiamen's

development. The Xiamen Special Economic Zone is not just Xiamen's special zone; it is also the special zone of the whole province and nation. The governor put forward four suggestions for the construction of the Xiamen special zone:

1. We should redevelop the special zone's strong points. The Xiamen special zone should play a "dragon head" role in the province.
2. We should make flexible use of the free port policy and should promote the development of undertakings in various fields of endeavor.
3. We should build the Haicang investment zone on a larger scale.
4. We should pay attention to the construction of key development projects, such as airports and highways; run Xiamen and Jimei Universities well; turn the Overseas Chinese Affairs Museum into a window for attracting overseas Chinese capital; and build Gulangyu into an urban district with a high cultural level and one of Xiamen's major scenic spots, so as to attract more overseas investment.

The governor also urged Xiamen to make full use of the legislative power entrusted to it by the state, manage the special zone according to law, and build itself better.

At the Fuzhou delegation's discussion session, after listening to the deputies' opinions, the governor said: This year, stability is of overriding importance. Only when stability is maintained can our reforms in all fields forge ahead. Leaders at all levels must concern themselves with the weal and woe of the masses of people, and must alleviate contradictions among the people. This year, the provincial party committee and government are determined to carry out more investigation and study; adopt realistic measures to solve, in a down-to-earth manner, some hot-point and difficult problems in society, economics, and daily life; bring the enthusiasm of people from all sides concerned into full play; and cherish, protect, and direct their enthusiasm toward reform, development, and stability; so as to push forward the cause of reform.

**Fuzhou To Transform Railway Subbureau***HK2004012694 Beijing ZHONGGUO XINWEN SHE in Chinese 1124 GMT 5 Apr 94*

[By correspondent Lin Chunhua (2651 2504 5478): "The Fuzhou Railway Subbureau To Transform Itself Into Limited-Liability Company"]

[Text] Fuzhou, 5 Apr (ZHONGGUO XINWEN SHE)—The Fuzhou Railway Subbureau is going all-out to transform itself into a limited-liability company solely owned by the state.

The Fuzhou Railway Subbureau is in charge of the railway network within Fujian, which has a total length of nearly 1,100 km, an annual freight transport capacity of over 20 million tonnes, and an annual passenger



transport capacity of more than 17 million passengers. The Yingtan-Xiamen Railway, the main railway artery in Fujian, has been electrified. The construction of the Nanping-Hengyang Railway, Fujian's second railway to other provinces, is in full swing. The province will build seven more new railways before the end of this century.

The Fuzhou Railway Subbureau is located at the southeastern tip of China's railway network, and there is no transit transport by means of railways managed by the subbureau, so it is convenient for the subbureau to carry out reform in isolation.

It has been learned that the Fuzhou Railway Subbureau will take two steps to transform itself into a company. The first is to change from its existing state of having assets invested solely by the state and the reality of unified operation and administration of the entire network into a limited liability company solely owned by the state. The second step is to absorb other investment entities and to develop into a shareholding limited-liability company with state capital holding controlling shares.

#### **Fujian Official on Foreign 'Exploitation' of Workers**

HK2004041194 Hong Kong SOUTH CHINA  
MORNING POST in English 20 Apr 94 p 8

[By Daniel Kwan]

[Text] In a comfortable air-conditioned meeting room on the third floor of the Fujian Labour Bureau, labour-dispute arbitrator Peng Weidong drew on a cigarette, sipped some Fujianese tea, lay back on a sofa and said: "They say they respect human rights, I say what they do is exploitation."

"If they are sincere about human rights, then they should stop exploiting Chinese workers," he added. "They" are the thousands of foreign entrepreneurs who operate factories in Fujian to make such goods as running shoes and plastic toys. Statistics show these businesses—many of them medium-to-small Taiwanese companies—employed more than 400,000 Chinese last year, mostly from other provinces. Although Fujian is one of the few relatively rich provinces, labour disputes, particularly those involving foreign businesses, have surged alarmingly.

In one instance, a female worker in a Taiwanese factory in Fuzhou was beaten and locked in a cage with two wolfhounds after she was caught stealing some unused rubber. Fellow workers went on strike after one of them, who helped the woman escape, was sacked.

Dangerous work conditions were also common, and some factories like deathtraps. Last year, 64 textile workers were burnt to death when fire broke out in a factory at which bosses had double-locked the doors. Mr Peng described workers in a Taiwanese factory, mostly young women with little education, who sat quietly along the production line when he visited. "They just put their

hands in front of us, some without fingers—they had been chopped off by machines," he said.

Another factory with 400 workers reported 36 industrial accidents—some causing permanent injury—in two years. And although low wages were often cited as an incentive to invest in China, some foreigners sought to maximise this advantage. Mr Peng said he knew of a worker who was paid only 60 yuan (HK\$52) after laboring six months in a factory. Her manager had devised such exorbitant fees to be paid by workers each month that the woman was left with barely enough money for her train fare home.

Other factories were run like military camps, said Mr Peng. Workers had to ask permission to go to toilets and in some cases, women were not allowed to close toilet doors so they would not "stay there too long". Working hours were "eternally" long, Mr Peng said. Sixteen hours a day with overtime pay as low as 50 fens (half a yuan) an hour had become almost the norm among joint ventures in Fujian, he said. Mr Peng said such abuses were limited usually to small and medium-sized factories and those which had not set up labour unions.

Although Chinese law required all foreign-owned businesses to set up such unions, less than a fifth of foreign businesses operating in Fujian had set up unions by the end of last year, he said. Labour bureau director Wang Lihong said the Government was aware of the problems and had already begun provincial inspections. Section chief Huang Changshun said the inspectors would examine workers' contracts and police maximum working hours and the unlawful employment of children in foreign enterprises. "We can't sacrifice our workers' interests for the sake of foreign investment," Mr Wang said.

#### **Jiangsu Economic, Social Development Plan**

OW1404120694 Nanjing YINHUA RIBAO in Chinese 6  
Mar 94 p 2

["Excerpts" of report by Chen Biting, chairman of the Jiangsu Provincial Planning and Economic Commission, on the implementation of Jiangsu's 1993 national economic and social development plan and the draft 1994 plan]

##### **[Text] 1. Implementation of the 1993 Plan**

In 1993, all localities in Jiangsu were able to maintain the vigorous momentum of economic development and achieve new success in all social causes. This is a result of following through with the guidelines from the important talks which Comrade Deng Xiaoping gave in southern China and the guidelines laid down by the 14th National CPC Congress, namely seizing opportunity, deepening reform, opening up wider to the outside world, accelerating the restructuring process, expediting scientific and technological progress, and intensifying macroeconomic regulation and control. On the whole, the situation was gratifying. The province's gross value of goods and services increased 18.5 percent, totaling



225 billion yuan, and attained the goal of quadrupling the province's industrial and agricultural output seven years ahead of time. The output of cereal and oil-bearing crops was basically stable, and the rural economy developed in all sectors. The value of total agricultural output increased 8.4 percent, totaling 79.6 billion yuan in 1993. Total grain output was 32.797 million tonnes, and total output of oil-bearing crops was 1.257 million tonnes, which was slightly lower than a year ago. The total cotton yield decreased 18.7 percent, dropping to 429,000 tonnes. The development of village and town enterprises and export-oriented businesses was quite fast. The industrial economy grew rapidly and the level of overall development was higher. In 1993, the output value yielded by enterprises operated by townships and larger areas increased 34.2 percent, totaling 502.4 billion yuan. The sales rate of industrial goods produced by enterprises operated by townships and larger areas increased to 95.3 percent, up from 93.6 percent a year ago. The composite index of industries' economic returns totaled 99.34 percent. The investment pattern continued to improve, and significant progress was made in building major infrastructures and basic industries. Public investments in fixed assets increased 51 percent, totaling some 107.49 billion yuan. This included state-owned units' investments of 45.87 billion yuan, or a 59.3 percent increase in their fixed assets. Many major capital construction projects and technological upgrading projects were put into operation or were basically completed. The development of tertiary industries picked up speed, and the commodity market was prosperous and stable. The added value of tertiary industries in 1993 was 62.3 billion yuan, an increase of 20.3 percent. The total sales of consumer goods in the year increased 33.9 percent, totaling 107.42 billion yuan. Banking operations continued to improve, and the growth of revenues was quite quick. The amount of public savings was 36.934 billion yuan more than that registered early in the year, and the amount of loans extended was 28.916 billion more than that registered early in the year. Revenues in 1993 increased 45.3 percent, totaling 22.13 billion yuan. Opening up wider to the outside world, the province's export-oriented economy developed vigorously. Total imports and exports in the province increased 39.2 percent, totaling \$8.7 billion. The total amount of foreign capital actually used in the province increased 90.9 percent, totaling \$3.29 billion, and the establishment of 10,032 new foreign-invested businesses was approved. Enterprises made some headway in replacing their operating mechanisms, and reforms continued to deepen in various fields. A total of 600 limited-liability companies and 104 corporations selling stocks to specific sectors were established throughout Jiangsu, and the stocks of six companies were listed. Small state-owned enterprises carried out all sorts of reforms such as restructuring operations, switching production, leasing out operations, contracting outside businesses, and selling themselves to buyers. A total of 9,500 urban enterprises as well as village and town enterprises became joint-stock businesses. Substantial headway was achieved in rural and price reforms. Remarkable results were achieved in

promoting scientific and technological development. Educational services were improved. The province accomplished 100 projects of developing and producing major new products, popularized 2,000 types of new technology, and many centers were built for tackling scientific and technological problems, for conducting industrial experiments, and for carrying out engineering research. The province accelerated the pace of its educational reform, restructured its educational system, and improved the basic education. Compulsory nine-year education was carried out in 28 counties (cities and districts) as well as 420 townships and towns. Illiteracy was wiped out among 565,000 young people and people in their 30's through 50's. The people's standard of living continued to improve. The province's total population was 69,672,700 by the end of the year; the natural population growth rate was 7.36 per thousand. By the end of the year, 2 percent of urban dwellers were unemployed. Per capita wages increased 26.6 percent, totaling 3,533 yuan; the per capita income of farmers increased 207 yuan, or 19.4 percent, totaling 1,267 yuan. New success was achieved in the development of cultural and health services, radio and television broadcasts, sports, civil affairs, environmental protection, tourism, and in promoting socialist ethics.

Major problems existing in Jiangsu's economic and social life in 1993 were demonstrated by: 1) latent factors of instability in agriculture; 2) a worsening funds problem; 3) insufficient vitality and low efficiency among state-owned large and medium enterprises; 4) a structural contradiction remained conspicuous; and 5) an excessive rise in commodity prices with the overall social retail commodity price index reaching 15.4 percent.

## 2. Guiding Thoughts in Mapping Out Plans for 1994 and Several Major Tasks To Be Fulfilled Well

Guiding thoughts in mapping out a province-wide plan for 1994 will be: To thoroughly implement guidelines of both the 14th CPC National Congress and the Third Plenum of the 14th CPC Central Committee and to realize the overall objectives of establishing a socialist market economic system by further emancipating the minds, seizing the opportunities, intensifying reform, accelerating opening to the outside world, speeding up structural adjustment, strengthening macroeconomic regulation and control, striving for better efficiency and quality in economic operations, attaching greater importance to maintaining the basic balance between total social supply and demand, and ensuring sustained, rapid, and healthy national economic development to promote all-around social progress. Based on the aforementioned guiding thoughts, the primary goals for province-wide national economic and social development for 1994 will be:

A 12-percent increase in GNP, of which increases in primary, secondary, and tertiary industry will be 4 percent, 14 percent, and 18 percent, respectively;

A 7-percent increase in revenues;

An investment of 124 billion yuan in total local social fixed assets, which represents a 25-percent increase;

A total import and export value of \$9.5 billion—a 9-percent increase—of which the total value of exports will increase by 17 percent to reach \$7 billion; An actual use of foreign funds amounting to \$4.2 billion—a 27.6 percent increase—of which the direct use of foreign funds will be increased by 30 percent to reach \$3.9 billion;

A total social commodities retail volume of 129 billion yuan, or a 20-percent increase;

The rate of the increase in overall social retail commodities prices is to be controlled, in the region of 12 percent;

A 1,450 yuan per capita net income for peasants, an increase of 180 yuan or over 14 percent;

The natural population growth rate is to be limited to 9.83 per thousand; and

The job-waiting rate for both urban and rural areas is to be controlled at 2.5 percent or lower.

Various tasks related to province-wide national economic and social development for 1994 will be thoroughly unfolded to meet the overall requirements of seizing the opportunities, deepening reform, opening wider to the outside world, promoting development, and maintaining stability. To achieve this year's set targets, we are prepared to do the following tasks particularly well:

**(1) To Strengthen the Agricultural Base by Energetically Increasing Peasants' Incomes and Promoting Overall Rural Economic Development.**

First, we should continue to deepen rural reform; stabilize and improve the responsibility system, the main form of which is the household contract with remuneration linked to output; establish and perfect the mechanism of transferring land use rights; gradually liberalize both prices and the management of all major agricultural products; set up grain risk funds and a surplus stock system; strengthen the construction of a rural socialized service system; and strictly control and realistically lighten peasants' unreasonable burdens. Second, we should strive to increase input into agriculture to raise its comprehensive production capacity. The input into agriculture should be concentrated mainly on improving agricultural infrastructure; and supporting the construction of commercial grain and quality cotton base counties, the comprehensive development of agricultural resources, the construction of farm produce markets, the integration of trade with industry and agriculture in enterprises, and the agricultural service system. Third, we should readjust the agricultural product-mix and go all out to develop diversified management. We should rely on science and technology in develop agriculture towards a pattern of high yields, high quality, and high efficiency. We should strengthen organization and guidance over diversified management and, under the premise of ensuring stable grain and cotton output, expand the area of cash crops. We should step up efforts to promote the "vegetable basket" project to ensure a stable supply of nonstaple foods for urban areas. Fourth, we should energetically develop secondary and tertiary industries in rural areas. We should continue to develop

village and township enterprises. In economically developed areas, village and township enterprises should concentrate efforts on expanding scale, raising product quality, and improving management. In underdeveloped areas, village and township enterprises should gradually integrate trade with industry and agriculture. We should advocate the establishment of lateral ties between the south and the north. We should vigorously develop tertiary industries in rural areas to expedite the shift of the rural work force. Fifth, we should do a good job in the production and supply of agricultural capital goods. We should enforce price differentials in the circulation of major agricultural capital goods. We should establish a price risk fund and reserve system at different levels for major agricultural capital goods, and should continue to renovate and expand industries producing support-agriculture goods in accordance with the Eighth Five-Year Plan.

**(2) Actively Readjust the Industrial Structure To Promote Efficient Growth of Industry.**

First of all, we should emphasize the focal points of the readjustment and make breakthroughs in developing fine-quality, large-scale, high added-value, and export-oriented industries. We should concentrate resources on developing a number of highly interrelated staple products containing extensive technology and having high added value and marketability for earning foreign exchange. We should rely on key enterprises with rich resources to develop enterprise groups. We should organize Jiangsu's pillar industries to set up new enterprise groups. We should accelerate the implementation of the "hallmark engineering" project to set up high and new-tech industries and increase the application of technology in Jiangsu's industrial economy. We should further develop an export-oriented economy and speed up Jiangsu's convergence with the international economy. Second, it is necessary to effectively coordinate essential factors for production. Alleviation of the strain on Jiangsu's coal supply in 1994 will depend on railway transportation. Therefore, we should step up the coordination with relevant state departments to increase the delivery of coal covered by the state plan, while actively seeking resources not covered by the state plan. Power shortages will continue this year, with demand topping supply by more than 3 billion kwh. We shall mainly take the following measures: operating the existing generating units at full capacity; actively organizing trans-regional power supply for processing industries; increasing the loading factor of power consumption; and accelerating the construction of generating units. Industry will continue to face a shortage of working capital this year. Therefore, it is necessary to raise funds through various channels to increase the total capital supply; to energetically limit production, reduce stocks, and increase sales to reduce the occupation of funds; and to optimize investment patterns to ensure the development of key products and enterprises.



**(3) Make Greater Efforts To Readjust Investment Structure and Concentrate Energy To Ensure the Completion of Key Projects.**

This year, the state set the fixed assets investment scale for our province's collective-owned units at 82.92 billion yuan. The state-owned units will invest 34.05 billion yuan in fixed assets. A total of 12.31 billion yuan and 16 billion yuan will be used for basic construction and technological transformation at state-owned units. Under that arrangement, we will devote greater efforts to readjust investment structure, and we will use limited funds and materials for key projects conforming to industrial policy and for key projects that can generate good economic returns. In water conservancy projects, we will mainly direct our efforts to harness Huaihe and Taihu, and to divert Yihe, Shuhe, Sihe, and Tongyuhe. In the area of power supply, we will strive to add 1.225 million kwh of power generation capacity to our province this year. In transport, we will continue to build the Shanghai-Nanjing Expressway, first-class Nanjing-Lianyungang Highway and Nanjing-Nantong Highway, the Sunan Canal, and to start building the New Nanjing Airport, the Changjiang Highway Bridge at Jiangyin section, and the Xinchang Railway. In telecommunications, we will increase the number of telephones in urban and rural areas to 1.25 million. In raw materials, we will continue to strive to do well in steel and polyester production, to try to complete ongoing machinery, electric, light textile projects, urban infrastructure facilities, and other social undertakings at an early date. This year we will concentrate efforts to upgrade technologies for producing major products. We will see to the implementation of key projects and will monitor the progress of key projects. We will accelerate the construction pace of the state's and province's key projects and see to the completion and putting into production of 100 projects, including medical equipment, and digital-controlled machine tools as scheduled. We will step up the startup work on the key projects of the "87 projects." We will also strive to do well in the "landmark projects."

**(4) Accelerate the Development of Tertiary Industry and Continue To Raise Its Proportion.**

We will concentrate on the following to accelerate the development of tertiary industry. First, we will accelerate the establishment of a market system, foster and improve a number of commodity markets, as well as the finance, technology, labor, real estate, and information markets. Second, we will stress improving transport, telecommunications, civil administration, and public services. Third, we will encourage the development of insurance business, the entry of foreign banks, the proper development of non-bank financial institutions, the establishment of cooperative banks in urban and rural areas, and the reform of social insurance and security systems. Fourth, we will vigorously develop promising forms of tertiary industry, support intelligent-type tertiary industry, standardize and develop the real estate market, and promote tourism and recreation industry.

Fifth, we will encourage individuals and private businesses to develop tertiary industry. Sixth, we will pool funds through various channels to develop tertiary industry.

**(5) Put Great Effort Into Foreign Trade and Strive To Develop an Open Economy.**

First of all, we should deepen reform of foreign trade enterprises' operating mechanisms. We should encourage foreign trade enterprises to move toward industrialization and internationalization, to amalgamate into groups, and to institute the shareholding system. We should continually accelerate granting qualified enterprises and science and technology research institutes the power to engage in foreign trade. We should support counties where conditions permit enterprises to engage in export. Second, we should continue to implement the strategy to diversify markets. We should extensively explore markets in Western Europe, the Middle East, Southeast Asia, South America, Africa, Eastern Europe, and the Commonwealth of Independent States. We should encourage various localities to look for trade opportunities in a well-guided and planned manner; promote marketing and after-sales service outside Jiangsu; and actively adjust the export product mix. Third, we should open up more areas to foreign investment. This year, we will focus on attracting foreign direct investment, channeling it into high-technology, large-scale, and high-efficiency projects, and further develop cooperative relations with foreign transnational companies and consortium. We will attract Taiwan and overseas Chinese investment in an ever active manner; widen channels for foreign investment in infrastructural facilities, raw and processed materials, high and new technologies, agricultural development, real estate, and other domains; accelerate transforming large- and medium-sized enterprises through utilizing foreign funds; and strengthen macro management over foreign-funded enterprises. Fourth, we should unfold foreign economic tasks in all domains, at different levels, and through many channels, on the basis of running Jiangsu's foreign economic and technical cooperation companies smoothly. Fifth, we should strengthen the construction of development zones and give full play to the development zones serving as "windows" to openness.

**(6) Work Hard To Explore Markets in Urban and Rural Areas and Continue To Improve Living Standards.**

We should pay close attention to the issue of the market; strengthen market research and analysis; make great efforts to explore markets in urban and rural areas; continue to stabilize and expand sales contingents; formulate scientific and flexible marketing strategies; strengthen the construction of the market system and marketing network; organize various promotions, exhibitions, and order-placing fairs; make a success in introducing industrial products to rural areas; attach importance to exploring markets in rural areas and remote provinces and regions; strive to expand the international



market; and increase Jiangsu-made products' market share. According to the state's arrangement, the public functionary system and wages reform are implemented step by step, thereby improving employees' income. With the improvement of productive forces and efficiency, workers' income increases correspondingly. At the same time, peasants' income is much improved, thanks to the development of the rural economy and increases in the price of agricultural products. We should make arrangements for the well-being of the retired, workers of loss-making enterprises, peasants in poverty-stricken areas, and teachers of primary and middle schools.

**(7) Vigorously and Steadily Promote Price Reform and Strive To Keep the Rises of the General Price Level Under Control.**

The major thrust of the price reform is: raising procurement prices for grain and cotton; lifting control on coal and chemical fertilizer prices that fall under unified state distribution; breaking down the disparity in crude oil prices and correspondingly raising crude oil and refined oil prices; appropriately raising electric utility rates; cautiously handling reactions resulting from the readjustment of prices of basic products; gradually raising rents on citizens' houses; and adjusting fee collection items which produce conspicuous contradictions. In view of last year's excessive price rises and this year's mounting inflationary pressure, and to control price rises to a level tolerable to the masses, we must earnestly enhance our capability to control commodity prices. We should concentrate our price control efforts on the supply of vegetables and rice because these have a direct effect on the people's daily life. We will continue to enforce the target responsibility system over the level of price rises. We will establish a sound and special reserve system for grain, cotton, cooking oil, meat, and for such major commodities as coal, heavy oil, and means for farm production. We will set up and improve a market price regulatory fund as well as a risk fund for the prices of major commodities.

**(8) Deepen Reform, Strengthen Management, and Manage Well Enterprises in a Down-To-Earth Manner.**

It is necessary first of all to implement well the "Regulations on the Transformation of the Management System of State-Owned Industrial Enterprises" and the "Regulations on the Supervision and Management of State-Owned Enterprises' Assets" and conscientiously supervise and check the implementation of those two regulations; to genuinely return decision-making rights to enterprises; to accelerate the transformation of government functions; to effectively lighten enterprises' burdens; and to resolutely put a stop to illegal collection of fees, fines, and other charges. Second, we must truly change enterprises' operation mechanisms by concentrating efforts on establishing a modern enterprise system. Reform of the corporate system should be carried out at state-owned enterprises in a planned manner. The pace of reforming the shareholding system should be

stepped up. It is necessary to strive to do a good job at 800 state-owned enterprises which have been selected to carry out investigations of assets. State-owned small and medium-sized enterprises should continue to practice the management method of enterprise contracting, leasing, and sales. We should continue to promote the cooperative shareholding system at collective-owned enterprises and work toward realizing the goal of having 30 percent of the collective-owned enterprises in the province adopt the cooperative shareholding system this year. Encouragement and support should be given to the development of the non-public economic sectors. Third, we must enhance enterprise management and fully tap enterprise development potential. Campaigns to transform enterprise operation mechanisms, to improve enterprise management, to enhance enterprises' development potentials, and to increase enterprise efficiency should be extensively launched. There is a need to establish a strict management system. Continuous efforts should be exerted to help enterprises turn losses into profits and to conserve and lower energy consumption. We must practice strict quality control, monitor and check quality control work, and promote the quality-certification system practiced by the international business community. Fourth, we must stress safe production work; conscientiously implement the "safety first, prevention is the best" policy; enforce safe systems of production responsibility; enhance the safety inspection and supervision system; improve leadership over the handling of accidents; and enforce strict safety inspection measures.

**(9) Pay Close Attention to Science, Technology, and Education, Promote Coordinated Development of Social Undertakings.**

We should continue to speed up the reform of the science and technology management system, comprehensively promote basic and developmental research, put new and high technology to use in production, and vigorously combine science and technology with the economy. We should promote the transformation of scientific and technological achievements into a productive force: 1) we should do a good job in carrying out a number of key projects to tackle difficult scientific and technological problems that have a great bearing on economic and social development; 2) we should step up the building of basic facilities for scientific research and support the construction of some engineering research centers; and 3) we should vigorously make technological development, hold technological demonstrations, and promote new products.

In practical terms, we should give strategic priority to the development of education. We should further strengthen elementary education and do a particularly good job in implementing the nine-year compulsory education system; we should vigorously develop secondary occupational and technical education and adult education; and we should stabilize and develop higher education. We should continue to increase our investment in education. People should be encouraged to raise funds to set up and

run schools. Attention should be paid to improving the quality and efficiency of education and stepping up the building of a contingent of teachers. It is necessary to make vigorous efforts to develop culture, the press, publishing, broadcasting, film and television, public health, sports, tourism, and other undertakings and to further strengthen the building of socialist spiritual civilization. We should continue to do a good job in family planning, strengthen environmental protection, and pay attention to protecting and rationally utilizing natural resources such as land, mineral resources, forestry, and water. We should promote a coordinated development of both the environment and the economy.

**(10) Further Improve and Strengthen Macroeconomic Regulation and Control; Raising the Coordinating Capability of the Economy.**

In 1994 we should take measures to further improve and strengthen macroeconomic regulation and control. First of all, we should effectively carry out various reforms according to unified state arrangements. Second, we should effectively maintain a balance between aggregate demand and aggregate supply and readjust the economic structure. In macroeconomic regulation and control, the province this year should focus its attention on optimizing the economic structure and improving efficiency and strive to maintain a basic balance between aggregate demand and aggregate supply. Third, we should make full use of local favorable conditions and rationally readjust the distribution of productive forces. We should take effective measures to support northern Jiangsu in accelerating the construction of infrastructural facilities. Fourth, we should do well in making long- and medium-term plans and start drafting the Ninth Five-Year Plan and a long-term program for the period from now to 2010. Fifth, we should strengthen our forecasting and analysis of economic trends and regularly provide economic information to grass-roots units and enterprises. Sixth, we should continue to strengthen the capability of macroeconomic regulation and control at the provincial level and ensure the completion of key provincial-level projects and tasks. Seventh, economic planning departments should effectively improve their work methods, work style, efficiency, and services according to the requirement for changing functions, so as to make a greater contribution to economic construction.

**Shandong To Host International Co-Publication Fair**

*OW0204063594 Beijing XINHUA in English 0615 GMT 2 Apr 94*

[Text] Qingdao, April 2 (XINHUA)—The Sixth China International Co-Publication Fair is to be held from April 20 to 25 in Qingdao, a coastal city in east China's Shandong Province.

More than 120 overseas publishers from Britain, the United States, Japan, Singapore, the Republic of Korea, Malaysia, Taiwan and Hong Kong and 180 Chinese mainland publishers will take part in the fair.

They will exhibit their new books and hold talks on cooperative publishing, copyright transfer, book trading and printing.

China has successfully held five such fairs since 1989 and signed more than a thousand contracts with foreign publishers.

**Shanghai To Reinvigorate State-Owned Enterprises**

*OW2004033094 Beijing XINHUA in English 0316 GMT 20 Apr 94*

[Text] Shanghai, April 20 (XINHUA)—Taking practical steps to enliven state-owned enterprises has been put as a major task for the Shanghai government.

Some 40 enterprises, which are at present in the red, are required to make a profit this year. Eleven of these have already put forward detailed plans based on their particular conditions.

The city government has helped enterprises to find the causes for their losses. Results show that the losses come from inefficient operation and poor management, as well as left-over debts and the heavy financial burdens imposed on them.

The city government formulated measures and policies to help change the situation so that they can thrive and enhance their competitive ability in the market.

Strong leadership and qualified staff were considered as the key to making profits, and a contingent of outstanding business operators have been selected or assigned to be managers of these enterprises.

Enterprises with no hope of becoming profitable, whose low-quality products can find no demand, will be forced to go bankrupt, be merged with successful companies or have their ownership transferred.

**Central-South Region**

**State Council Price Inspection Team Surveys Guangdong**

*HK2004095994 Beijing ZHONGGUO XINWEN SHE in English 1335 GMT 19 Apr 94*

[Text] Guangzhou, April 19 (CNS)—The State Council Price Inspection Group yesterday affirmed the achievements made in price control in Guangdong and pointed out problems existing in the province in reporting the details of the inspection to the provincial government and the prices bureau.

Starting on April 12, the inspection team made on the spot surveys in Guangzhou, Shenzhen, Zhuhai, Zhongshan and Dongwan, reaching the conclusion that the province was active and earnest in carrying out price inspections launched by the State Council. Regarding problems of the sharply rising prices and the confused market order there, the province had done a lot and had had obvious achievements in maintaining an economic



balance in an overall way, development of production, cultivation of markets and administration over prices.

The economic situation in the province at present is good on the whole, however, the rise of price there is growing in a comparatively sharp way.

**Guangdong Officials Briefed on Price Inspection Results**

*HK2004062894 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 19 Apr 94*

[Text] Yesterday afternoon, persons in charge of the Guangdong provincial government and relevant departments listened to the report by the State Council's commodity price inspection team on the results of its inspection of the province's general price developments. Beginning 10 April, the commodity price inspection team went down to Guangzhou, Shenzhen, Zhuhai, Zhongshan, and Dongguan to conduct on-the-spot price inspection. The results of the inspection showed that the province's current economic and market price developments are fine on the whole, but the price hiking momentum is relatively grim. There is still something to be done in intensifying price inspection work and implementing some specific measures.

The commodity price inspection team pointed out: To check the price hiking momentum, Guangdong Province should intensify price inspection work, focus on the main points, and rectify the price order while conducting price inspection. With regard to the hot-point items that are most sought after by the masses of people and to those important commodities that have a bearing on the national economy and the people's livelihood, the province should organize forces to conduct special inspections. As for the commodities, grain, edible oil, important service items, and chemical fertilizers, the prices of which were forced up without authorization by capitalizing on taxation system reform, the province should persist in rectifying the price order while conducting price inspection, and should strive for speedy and innovative advances in this regard. It should adopt appropriate measures to manage grain, edible oil, pork, and major vegetables, and should step up efforts to introduce a system of risk funds for grain and for non-staple food, concentrate necessary forces on implementing the practice of selling goods at marked prices, and put price readjustments under strict control.

**Guangzhou Revokes License of Overseas Firms Over Contracts**

*OW1904141894 Beijing XINHUA in English 1402 GMT 19 Apr 94*

[Text] Guangzhou, April 19 (XINHUA)—The Guangzhou authorities in south China's Guangdong Province have revoked the licences of 113 overseas-funded enterprises because they refused to honor their contracts with the Chinese side.

They make up two percent of all the overseas-funded enterprises in the city, said the city's Industry and

Commerce Bureau (ICB) and Foreign Economic and Trade Commission (FETC).

The closed enterprises had failed to observe the contracts to put enough or any capital into their ventures in the city after they obtained business licences, the officials said.

Some had even suspended operations for long periods for lack of funds, and others did not fade out of the enterprises after the terms of joint operation with local businesses were ended, they said.

However, "most of the overseas investors in the city have been following national and local laws and regulations and made considerable contributions to the city's economic development," and "their legal rights and interests have also been protected by the governments at all levels," the Guangzhou ICB and FETC said.

The closed enterprises include: the Guangzhou Flower Garden Exhibition Center, the Guangzhou Kangbao Beverage Co. Ltd, and Nanguo Hotel.

**Shenzhen Viewers Required To Remove Satellite Dishes**

*HK2004062694 Hong Kong EASTERN EXPRESS in English 20 Apr 94 p 8*

[By Bruce Gilley]

[Text] Television lovers in Shenzhen have been given three days to tear down their illegal satellite dishes, an official said yesterday. Chen Chongtian, deputy director of the special economic zone's Bureau of Radio and Television, said all dish owners, except for hotels with foreign guests and financial companies, must pull down their dishes by the end of the week.

There has not yet been a decision to use force to implement the six-month-old nationwide ban on private dishes, and circumstances under which force might be deployed were "not yet clear", Chen said.

However, the Public Security Bureau and the Bureau of State Security in Shenzhen would play "coordinating" roles. The bureau is aware of the location of 110 dishes in Shenzhen, some of which are presumably legal. But some have been installed by private individuals without permission, Chen said. "We're calling on people to take the initiative. It would be best if they took them down themselves," he said.

Notices were published in Shenzhen papers yesterday announcing the crackdown. Chen said the uncontrolled dishes had caused "flaws", notably the government's loss of control over the watching of foreign programmes. "Some of those programmes from Hong Kong and Taiwan have a bad effect on the masses," he said.

"Violence and other evil depictions are not appropriate for our national situation." Chen said that dishes make Shenzhen look ugly and require more investment than cable television. The city expected to finish building a



400 million renminbi (HK\$355m [Hong Kong dollars]) cable television system by 1996 or 1997, which would reach 100,000 households. "Cable television will replace satellite dishes," Chen said. "After the system is built, we will decide which Hong Kong and Taiwan programmes can be aired."

However, at least one satellite dish salesman in Shenzhen was already issuing instructions yesterday on how to get around the threat of police inspectors roving the streets looking for dishes.

"As long as they can't be seen from the street, then there should be no problem," said the salesman, whose electronic components store was set up with backing from the Shenzhen government last year. "There's likely to be crackdowns in areas where there is a concentration of dishes, but dishes which are dispersed and hidden will be OK," the salesman said. The Premier, Li Peng, announced a nationwide crackdown on private satellite dishes last October 8, giving local governments six months to implement the ban. Individuals found with unauthorized dishes could be penalised up to Rmb5,000 (renminbi), while work units faced Rmb50,000 fines.

Detailed regulations issued at a national ideological work conference in February spelt out the strict conditions for registering dishes and empowered local governments to "take positive action" to pull down unlicensed dishes.

Beijing's Ministry of Radio, Film and Television is reported to have extended the grace period for implementing the ban until June. However, analysts say it would take many years to search every hutong in China for the metal dishes, which are familiarly known as "pot lids"

#### **Hainan Press, Publishing Industry Flourishes**

*HK2004022094 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1022 GMT 4 Apr 94*

[Text] Haikou, 4 Apr (ZHONGGUO TONGXUN SHE)—In the five years and more since Hainan Province was established, the press and publishing in the province have developed rapidly and at present have become a rising new industry in the large Hainan Special Economic Zone. This was disclosed by Chen Keqin, director of the Press and Publication Bureau of the province, at the provincial culture and sports work meeting a few days ago.

Chen Keqin said that the press and publishing in Hainan Province had developed without the government's financial investment. When the province was established in April 1988, there were only one publishing house for books (the Hainan People's Publishing House), one newspaper (HAINAN RIBAO), and one magazine (TIANYA) [THE END OF THE WORLD—1131 1509; reference to Hainan's geographical location]. At present, there are four publishing houses (companies) for books, one audio-video publishing house, 17 newspapers, 37 magazines, more than 30 bookstores, over 30 printing

presses, and 139 newspapers and magazines for restricted circulation. Last year, the province published more than 7 million copies of 518 book titles, more than 100 million copies of 14 newspapers, 3.58 million copies of 31 kinds of magazines, and more than 35 million copies (cassettes) of over 30,000 kinds of audio-video products.

Chen Keqing said that the press and publishing had made great contributions to the flourishing of the economy and culture in Hainan, and Hainan would adopt effective measures to promote the continuous and healthy development of the press and publishing.

#### **Chen Junsheng Views Henan Cotton Production**

*HK2004023094 Zhengzhou Henan People's Radio Network in Mandarin 1030 GMT 10 Apr 94*

[Text] On 8 April, State Councillor Chen Junsheng made an inspection tour of our province's Nanle County to acquaint himself with the details of preparatory work for spring plowing and cotton production this year. Chen Junsheng and his party came to Zhengguocheng and Gujinlou Townships in Nanle County to have cordial discussions with local cadres and the masses on the farms and the edges of the fields. He asked them in detail about local cotton production over the past two years, the acreage under cotton this year, and also the situation regarding preparatory work for sowing.

Chen Junsheng and his party also visited peasant households, asking peasants what they needed from the government with regard to cotton production. In the county's cotton and linen company, Chen Junsheng inquired in detail about the preparation and supplies of chemical fertilizer, farm chemicals, and so on.

On the morning of 9 April, Chen Junsheng, responsible comrades from the relevant departments directly under the provincial authorities, and relevant leaders of Puyang City and Nanle County listened to a report on our province's agricultural and rural economic work. Chen fully affirmed the efforts made by the broad masses of cadres and people throughout the whole province to promote cotton production.

Chen Junsheng pointed out: The situation in Henan Province this year is favorable as a whole. The production output of cotton and tobacco has fallen but that of grain and oil crops has risen. Peasant incomes have also increased by a fairly big margin. However, we must not be too optimistic about the situation in cotton and grain production this year. Chen Junsheng stressed: Agriculture is the foundation of our national economy. People's livelihoods must be protected and we must provide them with food and clothing. Both of these are very important. The main problems in grain production are that large areas of the grain farms have been affected by drought and rice seedlings are not growing well [words indistinct]. The problem with cotton is the most serious this year. Provincial, city, and county governments have done a lot of work and made great efforts to deal with this problem. At present, what is most important is that

we must ensure sufficient acreage under cotton. This year Henan must plant 14 million mu of cotton and strive for 15 million mu. We must firmly grasp preparatory work for sowing cotton and ensure sufficient supply of improved varieties of cotton and various kinds of agricultural means of production. We must not miss the farming season. We must do well various kinds of farm management work well and, in particular, we must properly grasp the work of preventing plant diseases and insects to strive for a good cotton harvest this year.

#### **Henan Secretary Views Propaganda, Ideological Work**

*HK2004031294 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 4 Apr 94*

[Text] A provincial propaganda and ideological work conference was convened in Zhengzhou yesterday with a view to opening up new vistas for firmly grasping two key work aspects at the same time; pressing ahead with reform, opening up, and modernization building; and raising the province's propaganda and ideological work to a new level.

Provincial party committee Secretary Li Changchun delivered an important speech in which he first and foremost expounded on propaganda and ideological work's important position and role in the new historical period. He stated: In the new historical period, propaganda and ideological work is at once an important guarantee for implementing the party's basic line and an important way of uniting the broad masses of people. The propaganda and ideological work is of great importance to such overall interests as grasping opportunities, deepening reforms, expanding opening up, promoting development, and maintaining stability. It should submit to and serve the overall interests of the province's work and aim at unifying the ideology of the broad masses of party members, cadres, and people with the help of the theory of building socialism with Chinese characteristics and mobilizing the broad masses of people to build a socialist market economic structure. This is the major theme.

Secretary Li Changchun pointed out: In accordance with the requirements laid down by General Secretary Jiang Zemin at a recent national propaganda and ideological work conference, and in light of the realities in Henan, we should firmly adhere to "one basic principle" and publicize "one major theme," striving to accomplish five major propaganda and ideological work tasks at the moment. By "one basic principle," we mean Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, which governs party work in all domains. We should firmly adhere to this basic principle in conducting propaganda and ideological work. By "one major theme," we mean grasping opportunities, deepening reforms, expanding opening up, promoting development, and maintaining stability, the overall interests of the whole party's work. Thus, all types of work should submit to and serve such overall interests of the whole party's work. The propaganda and ideological work

should aim at publicizing this major theme. The five major work tasks to be accomplished are as follows:

1. To arm the broad masses of the party members, cadres, and people across the province with the theory of building socialism with Chinese characteristics;
2. To correctly guide public opinion to create a favorable public opinion environment for reform and opening up;
3. To train a new generation of people with lofty ideals, moral integrity, cultural accomplishments, and a sense of discipline; build spiritual civilization more vigorously; and to serve socialism and people;
4. To adhere to the principle as letting a hundred flowers blossom and a hundred schools of thought contend in order to bring about cultural and artistic prosperity; and
5. To further strengthen foreign-related propaganda work.

Secretary Li Changchun emphatically noted: We now have a clear-cut guiding ideology for propaganda and ideological work as well as long- and short-term goals and tasks to fulfill. Moreover, we have also acquired objective conditions under which we are able to open up new vistas for the province's propaganda and ideological work. The party committees at all levels and the broad masses of propaganda and ideological workers should therefore brace themselves; strengthen confidence; work in a down-to-earth manner; implement to the letter all the relevant policies; and strive to open up new vistas for the province's propaganda and ideological work and contribute more to the province's reform, development, stability, and the building of two civilizations.

Yesterday's conference was presided over by Song Zhaosu, provincial party committee deputy secretary.

Zhang Wenbin, provincial party committee standing committee member and propaganda department director, relayed the spirit of the national propaganda and ideological work conference.

Yesterday's conference was attended by Lin Yinghai [provincial Chinese People's Political Consultative Conference committee chairman]; Wu Guangqian [provincial military district political commissar]; Zheng Zengmao [provincial higher people's court president]; Song Guochen; Zhang Deguang; Ma Jianzhang; Zhang Shiying; some other provincial leaders; various city and prefectural leaders; various provincial department and bureau leaders; Henan-based central news unit leaders; major industrial enterprises and mines leaders; and others.

#### **Hunan Governor Inspects Problem Enterprises**

*HK2004073694 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 12 Apr 94*

[Text] When conducting investigations and study in Zhuzhou City, Chen Bangzhu, deputy secretary of the provincial party committee and governor, pointed out that it is necessary to uphold reform, development, and



stability. Leaders at all levels must do solid work and carry out work in all fields of endeavor in a down-to-earth manner.

From 9 to 10 April, accompanied by Cheng Xinhan, secretary of the Zhuzhou City party committee and Mayor Wang Xinming, Governor Chen Bangzhu and his party successively inspected enterprises which have had difficulties in operations, such as the Zhuzhou Ramie Spinning and Weaving Mill, the Zhuzhou Tyre Plant, and the Zhuzhou Welding Rod Plant, and some township and town enterprises in Zhuzhou and Liling.

On 11 April, Governor Chen held separate discussions with factory directors and managers of some large and medium-sized enterprises in Zhuzhou and city party and government leaders on such issues as how to establish modern enterprise systems and help enterprises change operational mechanisms and become market oriented. He said: At present, enterprises universally feel that funding strains are plaguing them, and some enterprises are operating under capacity. However, the solutions are more than difficult. He pointed out: To overcome difficulties, on the one hand, enterprises must devote efforts to tapping their internal potential, manage funds flexibly, strengthen management, reduce consumption, bring the enthusiasm of staff members and workers into play, tide over difficulties with one heart and one mind, and, on the other hand, party committees, governments, and departments at all levels must foster the idea of eliminating trouble and solving difficulties for enterprises and help enterprises get out of their fix.

He remarked: This year, reform is being carried out in an overall way. The introduction of taxation system reform, which requires intense efforts to accomplish, is in the interests of all sides. Moreover, Zhuzhou City is a national pilot city for optimizing the capital structure and enhancing enterprise strength. He urged leaders at all levels in the city to carry out, in a down-to-earth manner, ideological work in an organized manner and by employing necessary supporting measures and doing solid work to uplift the city's work to a new level.

#### **Hunan Circular Urges Legal Workers To Assist Enterprises**

*HK2004063094 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 11 Apr 94*

[Text] The provincial judicial department, the provincial economic commission, and the provincial town and township enterprise administration recently issued a circular urging judicial and administrative departments at all levels to bring the intermediary role of lawyers, notaries, and grass-roots legal workers into full play in the service, communication, notarization, and inspection of market economy activities, so as to strengthen production, operation, and management using legal means, and to help loss-making enterprises get out of their situation.

The circular pointed out: Helping loss-making enterprises turn losses into profits is both an economic and a

political task, which has a bearing on social stability. The main specific measures cited in the circular include:

- Helping cadres, staff members and workers, and key professional elements of enterprises conscientiously study market economy theory, laws, and regulations, so as to standardize the behaviors of the enterprises and individuals;
- Helping enterprises establish and perfect legal affairs consulting organs, work out various rules and regulations, and train legal personnel so as to ensure that the production and operation activities are carried out within the framework of the legal system;
- Helping enterprises to recover debts by means of lawsuits or other means, and to avoid breach-of-contract and debt disputes.

#### **Southwest Region**

##### **Sichuan Nuclear Plant Fuel Package Operation Begins**

*HK2004031494 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 11 Apr 94*

[Text] The 900-MW large nuclear plant fuel package [zu jian 4809 0115] production line has been comprehensively completed in the Yibin Nuclear Fuel Package Plant and was formally put into production a few days ago. This is a gratifying step toward realizing the goal of equipping the Daya Bay Nuclear Power Plant with homemade fuel.

As China's only nuclear power plant fuel package production base, since its founding in 1991, the broad masses of workers, cadres, engineers, and technicians in the Yibin Nuclear Fuel Package Plant have labored under an excessive workload and, after two years and seven months of efforts, the plant has smoothly passed the following five rigorous tests one after another: The test by the State Bureau for Nuclear Safety; the simultaneous acceptance test of the three aspects of environmental protection by the State Environmental Protection Bureau; the project construction appraisal by French specialists; the industrial approval test; and the product approval test. The plant will begin to provide the No. 2 Generating Unit of the Daya Bay Nuclear Power Plant with [words indistinct]. This will enable us to provide large nuclear power plants with as much homemade fuel packages as possible.

##### **Tibet Deputy Secretary Stresses Propaganda, Ideological Work**

*OW2004054194 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 19 Apr*

[From the "News" program]

[Text] Danzim, deputy secretary of the Tibet Autonomous Regional CPC Committee, delivered an important speech at the autonomous regional propaganda and ideological work meeting on the afternoon of 19 April.



He pointed out that facts prove Tibet's propagandists and ideological workers are a contingent loyal to the party and the people's cause; a contingent of especially good, devoted, and hardship-enduring fighters; a contingent full of vitality; and a contingent which the party and people can trust. Basang, also a deputy secretary of the autonomous regional party committee, presided over the 19 April afternoon meeting.

Comrade Danzim's speech was entitled: Work Under the Guidance of the Theory on Building Socialism With Chinese Characteristics and Carry Out the Tasks on the Propaganda and Ideological Front in an All-Around Way. It contained three parts: (1) The basic situation of Tibet's propaganda and ideological front; (2) several major tasks of Tibet's propaganda and ideological front which we should strive to perform well now and in the days to come; and (3) strengthening leadership and improving methods to raise the level of our propaganda and ideological work.

Comrade Danzim first summarized the basic situation of Tibet's propaganda and ideological front.

He said: Over the past 40 years since the peaceful liberation of Tibet, the propaganda and ideological front in this region has done a great deal of work and made remarkable achievements in seriously implementing the party's basic theories and basic line of various periods, effecting an historic change in Tibet's society and accomplishing the tasks assigned by the party. Since Third Plenary Session of the 11th CPC Central Committee in particular, comrades on the propaganda and ideological front, adhering to the Marxist ideological line and working under very arduous conditions, have overcome difficulties, seriously conducted discussions on the criteria of truth, and helped bring about a thorough emancipation of the minds among CPC members, cadres, and the broad masses of people in the region. They have persistently treated economic construction as the central task, subordinated themselves to and served the party's central task, and actively publicized the party's line, principles, and policies, as well as the guidelines of the Party Central Committee's instructions on work in Tibet. They have carried out a thorough education in patriotism and in unity among all nationalities, seriously performed the task of arming the whole party with Deng Xiaoping's theory on building socialism with Chinese characteristics, applied the theory in unifying people's thinking, and promoted the study of the Volume 3 of the "Selected Works of Deng Xiaoping."

Comrade Danzim said: During political storms and the Lhasa riots, comrades on the propaganda and ideological front in this region always identified themselves with the Party Central Committee and autonomous regional party committee, correctly guided public opinion, and helped maintain social stability in Tibet [sentence as heard]. During the course of deepening reforms and opening up wider, they have stepped up ideological education and ideological and political work, ensured the smooth implementation of major reform plans, and

conducted active and effective propaganda work toward the outside world. Against the intensified attempt made by Western hostile forces and the Dalai clique to separate Tibet from China, comrades on the propaganda and ideological front have waged a tit-for-tat, justified, and forceful mass media struggle. They have publicized the accurate image of socialist new Tibet, made Tibet's actual situation known to more people, and effectively promoted Tibet's opening to the outside world and its cultural exchanges with foreign countries. They have helped the building of socialist spiritual civilization, and promoted cultural and educational undertakings and social progress in Tibet.

Comrade Danzim said: Propaganda and ideological work has made the people of all nationalities in Tibet emancipate their minds, and has aroused their enthusiasm, initiative, and creativity for participating in reforms and establishing a socialist market economy. Propaganda and ideological work has been a strong support in the anti-splittist struggle and work of maintaining stability. It has enriched the people's cultural life in Tibet, advanced the fine cultural traditions of all nationalities, upheld the unification of the motherland and unity among various nationalities, and ensured the smooth proceeding of Tibet's reform, opening up, and modernization drive.

Comrade Danzim pointed out that the propaganda and ideological front of this region should strive to do its work well in the following 11 major respects both at present and in the days to come: (1) To continue to do good work in arming the whole party with Deng Xiaoping's theory on building socialism with Chinese characteristics; (2) to do good work in conducting news propaganda and in guiding public opinion; (3) to strengthen ideological education; (4) to make socialist culture, literature, and art flourish further; (5) to step up publication work; (6) to give wide publicity to the anti-splittist struggle and work of maintaining stability; (7) to step up the building of socialist spiritual civilization; (8) to continue to step up propaganda toward the outside world; (9) to put emphasis on strengthening propaganda and ideological work at grass-roots units in rural and pastoral areas; (10) to strengthen the contingent of propagandists and ideological workers; and (11) to seriously do good work in publicizing the 30th anniversary of the founding of the Tibet Autonomous Region.

Comrade Danzim emphatically pointed out: What should Tibet rely on to reform and develop itself, further liberate and develop its productive forces, and improve the people's living standards? It is most important and most fundamental to rely on the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. Only by seriously studying the theory and arming our minds with it, can we correctly apprehend the party's line, principles, and policies; keep to a correct orientation, correct road, and correct measures in reform and development; and attain the objectives of reform, development, and stability in this region.

Danzim called on the whole region to study Volume 3 of the "Selected Works of Deng Xiaoping," the decision of the Third Plenary Session of the 14th CPC Central Committee, and the guidelines of the Fifth Enlarged Plenary Session of the Fourth Tibet Autonomous Regional CPC Committee, simultaneously; and to apply what is learned in the study to bring about a more comprehensive, thoroughgoing, and down-to-earth development.

On publicizing the anti-splittist struggle and work of maintaining stability, Comrade Danzim emphasized: Tibet's stability is a political issue concerning the situation and stability of the whole country. Without a stable social and political environment, Tibet's reform and development will be an empty word. Propagandists and ideological workers should deem it their duty to maintain social stability in Tibet; always put the stress of propaganda and ideological work on publicizing the anti-splittist struggle, maintaining the unification of the motherland, strengthening unity among all nationalities, and maintaining social stability; be (?faithful) [zhong shi] ideologically and solid in work; and actively maintain a political situation of stability and unity in this region.

Comrade Danzim called on the news media in Tibet to meet the needs of establishing the new socialist market economic structure, start new special columns and new programs on special topics, improve editorials, commentaries, theoretical articles, and serial reports, increase the weight and depth of news media, and help create a powerful public opinion for Tibet's economic construction, reform, and opening up.

In conclusion, Deputy secretary Danzim pointed out: Propaganda and ideological work has a bearing on the undertaking of building socialism with Chinese characteristics. It should be done by the whole party and all party members should attach importance to it. Party committees at all levels must pay great attention to propaganda and ideological work, strengthen leadership over it, and seriously build both material and spiritual civilizations and attach equal importance to both. The party committees should conscientiously assume the responsibility for leading propaganda and ideological work in their respective localities and departments, strive to accomplish all tasks, improve the quality of propaganda and ideological work, and make new and greater contributions to promoting reform, development, stability, and comprehensive social progress in Tibet.

#### **Tibet Achieves Results in Anticorruption Campaign**

OW1704005594 Lhasa XIZANG RIBAO in Chinese 10 Mar 94 p 2

["Regional Procuratorial Organs Make New Progress in Fighting Corruption in the New Year"]

[Text] Tibet's procuratorial organs have made new progress in safeguarding political and social stability as well as in protecting and removing obstacles to reform, opening up to the outside world, and economic construction in the new year.

Last year, Tibet's procuratorial organs earnestly implemented the central authorities' guidelines on fighting corruption and concentrated on handling economic crimes such as embezzlement and bribery. The chief procurator personally organized and directed his personnel. He also participated in handling major and important cases. Anticorruption departments introduced a system of responsibility for the handling of cases and adopted flexible means for investigating economic crimes. To find clues for use in cases, procuratorial organs held press conferences, established boxes or telephones for people to offer information about crimes, and adopted various means to publicize laws. The procuratorial organs focused on handling criminal cases involving the working personnel of party and government organs, judicial organs, law-enforcement administrative departments, and economic administrative departments. According to statistics, in 1993 the region's procuratorial organs received 408 clues on economic crimes such as embezzlement and bribery and handled 77 cases involving 83 people. Of these cases, 40 were major cases involving 42 people. Seven major criminal cases involved nine county and departmental-level cadres. The handling of these cases helped recover 4 million yuan for the state. In the process, a number of offenders guilty of embezzlement and bribery were punished. This has heightened the prestige of the procuratorial organs in the minds of the people of all nationalities in Tibet.

The year 1994 is crucial for Tibet's reform, which has entered the period of package advancement and breakthroughs in key areas. To better serve reform, opening up to the outside world, and economic construction, the people's procuratorial organs, as always, will further concentrate on cracking down on economic crimes. A leader of the regional people's procuratorate said: This year, the region's procuratorial organs will continue to give priority to punishing people guilty of embezzlement and bribery, and will earnestly implement the principle of "handling cases strictly in accordance with law." Strictly enforcing laws is a precondition for cracking down on economic crimes. We must rectify the phenomenon characterized by failure to abide by the law and lax law enforcement, must deal accurate and relentless blows at criminals, and must ensure that procuratorial organs seriously carry out their functions.

At the same time, the leader stated: Efforts should be made in making new breakthroughs in handling major cases. All cases involving leading cadres at and above county and departmental-levels must be investigated and handled. Anyone who is involved in a crime must be thoroughly investigated.

He concluded: We must strengthen leadership over investigation and handling of major and important



cases. The chief procurators must personally organize and direct his personnel, and personally participate in handling cases. We should learn from good experience in handling economic crimes, and supervise and provide better guidance to procuratorial organs at all levels. In 1994 we will achieve new victories in fighting corruption.

### **Yunnan Secretary Addresses Rural Work Meeting**

*hk2004093594 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 9 Apr 94*

[Text] A provincial meeting on rural work closed in Kunming yesterday. During the meeting, provincial party committee Secretary Pu Chaozhu once again emphasized the importance of in-depth reform in rural areas at and below the county level. Vice Governor Huang Bingsheng delivered the concluding speech.

Pu Chaozhu said: To deepen the reform in rural areas at and below the county level, we first need to properly adjust the ownership structure. The reality in Yunnan is that the province has an underdeveloped economy and a simple ownership structure both of which are unfavorable to development of the productive forces.

Pu Chaozhu stressed that it is necessary to start the adjustment of the ownership structure from the following aspects: First, it is necessary to transform small state-owned enterprises at and below the county level into collectively-run or private enterprises through auction, sale, lease, or contract for private management with the ownership retained by the state. Second, it is necessary to go all out to develop the individual and private economies. Third, it is necessary to vigorously introduce the joint-stock cooperative system. Fourth, it is necessary to contract out uncultivated hilly land, slopes, and plots of land on river banks or in valleys to individuals for management. Local residents, people from the vicinity or from other provinces, and foreign investors are all welcome to contract for the management of all sorts of wasteland. To deepen the reform in rural areas, we must also thoroughly change the form of production and management, promote socialized large-scale production, expand the socialized service system, and run the businesses at an appropriate scale of operation. With regard to the management system, we must introduce the system of integration of agriculture, industry, commerce, technical services, and trading, as well as the production-supply-marketing integrated system. By and large, we must go all out to further the rural reform in depth and to vigorously promote the productive forces in rural areas.

In his concluding speech Vice Governor Huang Bingsheng said: During this meeting we have conscientiously discussed such issues as the tasks regarding rural reform, the adjustment of the rural production structure, and the plan to strive for a bumper harvest this year. The participants now have a better understanding, reached a consensus, and have clearly defined the targets, tasks,

measures, and methods regarding the future development of agriculture and the rural economic reform in our province. Some requirements have been set on this year's spring farming.

The meeting commended 57 advanced localities which had upgraded their agriculture to a new level in 1993, of which Eryuan County, Dali City, Puer County, and Luchun County were awarded first-class prizes, Qujing Prefecture and 22 other localities won second-class prizes, and Wenshan Zhuang and Miao Nationality Autonomous Prefectures plus 29 other prefectures, autonomous prefectures, cities, and counties won third-class prizes.

Vice Governor Yang Jianqiang presided over the meeting. Present at the meeting were provincial party, government, and army leaders Liang Jinquan, Zhao Shumin, Zhang Baosan, Meng Jiyao, Bao Yongkang, Zhao Tingguang, Qiu Chuangjiao, and Li Jie; former leading members of the provincial party committee Sun Yuping and Liang Jia; party and government leaders from all prefectures, autonomous prefectures, cities, and counties; as well as the people in charge of all the departments and committees of the provincial party committee, state organs at the provincial level, the provincial commissions, committees, departments, and bureaus, various public organizations, and all colleges and universities.

### **Northwest Region**

#### **Shaanxi Industrial Situation Reportedly 'Very Grim'**

*HK2004105394 Xian Shaanxi People's Radio Network in Mandarin 0010 GMT 10 Apr 94*

[Text] The first quarter of this year saw a low growth in industrial output in Shaanxi Province. The aggregate gross output value of industrial enterprises at and above the township level amounted to 12.65 billion yuan, an increase of 7 percent over the same period last year, indicating a marked slowdown in the growth rate. Of this gross output value, state-owned enterprises contributed more than 9.8 billion yuan, a mere increase of 3 percent. Township-run industrial enterprises had the highest growth of 39 percent; collective-run enterprises had the second highest growth of 17.7 percent; and the growth of heavy industry was still higher than that of light industry. Of principal industrial products, the output of color television sets, color television kinescopes, radio sets, washing machines, and refrigerators increased rapidly. The output of the following products decreased: cigarettes, white wine, beer, iron ore, steel products, crude oil, coal, timber, cement, and heavy-duty trucks. Electric energy production increased by 6.6 percent.

The most prominent problem in industrial production in the first quarter was that the economic returns of industrial enterprises declined, more enterprises were suffering losses, and their profit margin decreased remarkably, with 53.3 percent of large and medium-sized



enterprises, 37.4 percent of state-owned enterprises, 14.2 percent of collective-run enterprises, and 50.7 percent of province-run enterprises suffering losses. The amount of profits of industrial enterprises decreased by 87.2 percent as compared with the same period last year.

Some longstanding problems in economic operation have landed the province's industrial sector in a very grim situation. Now and in the future, Shaanxi Province needs to vigorously adjust its production structure and product mix and strive to increase profits and reduce losses by deepening reform and improving management.

### **Xinjiang Issues Social Order Management Regulations**

OW1604020594 Urumqi XINJIANG RIBAO in Chinese  
16 Feb 94 p 2

[Regulations on Comprehensive Management of Social Order in Xinjiang Uygur Autonomous Region, approved by the sixth meeting of the Eighth Regional People's Congress Standing Committee on 21 January]

#### **[Text] Chapter I. General Principles**

Article 1. These regulations are formulated with a view to strengthening comprehensive management of social order and safeguarding public order and social stability; and to ensuring and promoting the smooth progress of reform, opening up, and economic construction in line with the National People's Congress Standing Committee's "Decision on Strengthening comprehensive management of social order" and relevant state laws and statutes, and in the light of realities in the autonomous region.

Article 2. These regulations are applicable to government institutions, social organizations, armed forces, enterprises and units, and other organizations as well as individuals.

Article 3. The basic task of comprehensive management is to mobilize and organize all quarters of society and the people of all nationalities to use political, economic, administrative, legal, cultural, educational, and other means to consolidate and improve social order, and to crack down on, prevent, and reduce crimes, thereby ensuring political and social stability in the autonomous region.

Article 4. In conducting comprehensive management, it is necessary to adopt both punitive and preventive measures, consider both temporary and permanent solutions, and adhere to the principles of combining special agencies with the mass line and of "assigning responsibilities to competent authorities" of localities concerned.

Article 5. People's governments at all levels shall incorporate comprehensive management into the overall plan for building socialist material and spiritual civilization; and strengthen organizational leadership over and support management in terms of manpower, material, and financial resources.

Article 6. People's congresses and their standing committees at all levels shall bring into play their powers to strengthen the inspection and supervision of comprehensive management, and to promote the in-depth and sound development of comprehensive management.

Article 7. These regulations shall be enforced by leading organs on comprehensive management of social order at various levels in the autonomous region; and their offices shall take care of day-to-day work.

### **Chapter II. Organizational Structure and Responsibilities**

Article 8. Units at and above the county (city or district) level and under the division level of the Xinjiang Production and Construction Corps shall set up a committee for comprehensive management, which shall have a permanent office.

Townships and towns (farms) as well as neighborhoods shall set up a leading group on comprehensive management.

Villagers (residents) committees shall assign a leader to take charge of the work related to comprehensive management.

Institutions, organizations, enterprises, and units shall set up an office or assign full- or part-time personnel to take charge of the work.

The establishment of an office on comprehensive management in units of the Xinjiang Production and Construction Corps under the division level shall be decided by the corps as it deems necessary.

Article 9. The primary responsibilities of organs on comprehensive management are as follows:

- (1) To implement laws, statutes, and policies related to comprehensive management;
- (2) To map out plans for comprehensive management in each locality or unit, and inspecting and enforcing their implementation;
- (3) To publicize and educate people in the legal system, and conduct education on ideology and ethics;
- (4) To organize the implementation of comprehensive management target responsibility systems in each locality or unit; to inspect, evaluate, and appraise the implementation through comparison; and to decide on or recommend awards and punishments;
- (5) To summarize and popularize experiences; and
- (6) To take care of other matters related to comprehensive management.

Article 10. Leading organs of comprehensive management at and above the county level shall, in the light of work related to comprehensive management, have the power of veto in the selection of advanced and outstanding elements in institutions, organizations, schools,

troops, enterprises, units, and villagers (residents) committees within their jurisdiction.

Article 11. Organs in charge of comprehensive management of social order shall establish a sound working system, enhance the political awareness and professional competence of staff members, and perform duties impartially to ensure a good job in comprehensive management.

### Chapter III. Punishment and Prevention

Article 12. People's courts, people's procuratorates, and public security, state security, and judicial administrative departments shall bring their respective functions into full play in punishing counterrevolutionary crimes, criminal offenders, and serious economic crimes.

Article 13. Public security organs shall step up efforts to investigate and crack criminal cases; enhance their ability to uncover and capture criminal elements; organize various forces, with the people's police as the backbone, to take part in security patrols; investigate, prohibit, and crack down on social vices according to the law; and strike at active criminals.

Article 14. Public security and other relevant departments shall organize and launch special drives to deal with outstanding problems in social order in a timely manner.

Article 15. People's courts, people's procuratorates, and public security organs shall accept and promptly handle according to the law all criminals accused, reported, or turned over by citizens; and shall protect the safety of those who accuse, report, or turn over criminals. Those who retaliate shall be dealt with sternly.

Article 16. Cities and towns, farming and pastoral areas, and all departments and units shall establish a mass crime prevention and control contingent; and shall set up and implement a crime prevention and public security responsibility system, and a traffic and fire safety responsibility system to ensure crime prevention and public security in each locality, department, and unit. Cities should set up public security posts at appropriate places. Grass-roots public security departments shall strengthen the operational guidance over public security committees and security joint defense teams in urban and rural areas.

Article 17. Villagers committees and residents committees shall strengthen the construction of public security committees and people's mediation committees, and shall launch various mass crime prevention and control activities in conjunction with the campaigns to identify civility residential buildings and courtyards, civility villages, and five-good families in the course of building spiritual civilization.

Article 18. Upon discovery of loopholes and hidden perils in public security while handling criminal cases,

people's courts and people's procuratorates shall promptly make pertinent suggestions to the judicial and procuratorial departments.

Article 19. Urban and rural planning and construction departments shall incorporate into urban and rural construction plans the security and crime prevention facilities of public places and urban residential housings as well as office buildings of agencies dispatched by public security and judicial organs. Residential areas shall popularize the management method of apartments.

Article 20. People's Liberation Army and Armed Police units stationed in Xinjiang and people's armed forces departments shall actively take part in comprehensive management of social order, set up joint security defense teams, and make army-civilian and police-civilian joint efforts to safeguard local public order and social stability.

### Chapter IV Education and Management

Article 21. Various localities, departments, and units should seriously unfold different forms of propaganda and education on the legal system and social morality; do ideological and political work; and enhance the consciousness of the legal system and morality among people of various nationalities.

Article 22. Educational departments should include education on good character and the legal system in teaching subjects in various schools; raise students' consciousness of observing the law and discipline and respecting social morality; do a good job in improving students who are less advanced; and maintain good teaching order in schools.

Article 23. The trade unions, Communist Youth League organizations, and women's federations should, in light of their special characteristics, strengthen education on ideology and the legal system for staff members and workers, youths and women.

Article 24. The federations of industry and commerce, associations of private enterprises, and associations of individual business operators should strengthen education on moral principles and the legal system for business operators and individual workers, and enhance their consciousness of observing the law and discipline.

Article 25. Propaganda, cultural, radio and television, and news and publication departments should publicize education on comprehensive management, and do a good job with public security and other concerned departments in administering theaters, singing and dancing halls, video rooms, electronic game rooms, other cultural and recreational facilities, and books and newspaper stalls. The production, broadcasting, publication, and selling of reactionary, lewd, and harmful reading materials and audio-video items should be strictly forbidden.

Article 26. Departments in charge of industry, taxation, business, tourism, and gardens should strengthen management of bustling commercial areas, markets, trade fairs, parks, food service outlets, and other public places. Those departments should work in coordination with public security organs to crack down on activities which may disrupt market and social order, and endanger public security in order to safeguard social stability.

Article 27. Railway, transportation and civil aviation departments should maintain public security and order of railways, highways, railway stations, and airports. Those departments should strictly implement the responsibility system for drivers and operators, assist public security organs to strike at "railway bandits and highway robbers," and ensure safety in transportation.

Article 28. Public security and concerned departments should strengthen control of guns, ammunition, explosives, poisons, radioactive substances, and other dangerous items as well as narcotics for medical use. Units concerned should make efforts to prevent the loss or stealing of those items to prevent incidents.

Article 29. People's governments of various townships and towns, subdistrict offices and public security departments should adopt effective measures to strengthen the administration of densely populated areas and transient population to prevent cases of violation of laws.

Article 30. Public security organizations and other concerned departments should strengthen the administration of guest houses, hotels, stores which procure waste and used items, printing mills and seal engraving shops, taxicabs and automobile repair garages to prevent violation of laws and crack down on criminal activities.

Article 31. Civil affairs departments should do a good job in giving special care to disabled servicemen and family members of revolutionary martyrs and servicemen, in providing assistance to those who suffer in natural disasters, and in promoting social welfare work. They should also do a good job in providing care and resettling people who suffer from mental illness, and in resettling and repatriating drifters and beggars.

Article 32. Religious affairs departments should strengthen the administration of religious workers, religious sites, and religious activities in accordance with the law; and prevent those who commit crimes in the name of carrying out religious activities.

#### Chapter V Reform and Resettlement

Article 33. Organizations in charge of reforming people through labor and reeducation should seriously carry out their duties and strengthen their work of educating, helping, and remolding offenders in order to reduce the rate of recommitting crimes.

Organizations in charge of reforming people through labor and reeducation should conduct cultural and technical training for people undergoing reform in order to

create conditions for taking up employment or continuing their education after release.

Article 34. Labor and other concerned departments should provide placement for released personnel through various ways. Various units must not discriminate against released personnel when hiring people.

Article 35. Village committees, subdistrict committees, and other concerned departments should assist public security and judicial organizations in supervising and educating those who are deprived of political rights or released on probation; those whose sentences are executed outside of prison; and those who remain out of custody and obtain medical treatment at hospitals.

#### Chapter VI Support, Rewards and Punishment

Article 36. Funds needed by departments in charge of comprehensive management of public order shall be included in the annual budget of people's governments at various levels. Funds needed by public security department of a unit shall be provided by the unit itself.

Funds needed by mass organizations in charge of crime prevention and management shall, in principle, be provided by the locality itself. An appropriate amount of subsidies shall be provided to a few localities having budgetary difficulties.

Article 37. Comprehensive management organizations at the county level shall set up insurance and reward funds for people who suffered injury or disability for heroically fighting crimes.

Article 38. Citizens who heroically died in a struggle against law-breaking and criminal acts to safeguard public order shall be conferred the title of martyr in accordance with the provisions of the "Regulations on Commending Revolutionary Martyrs"; pensions shall be provided to their families.

Article 39. State functionaries and staff members and workers of enterprises and institutions who fail to show up for work due to their participation in the struggle against law-breaking and criminal acts shall be considered as having shown up for work; those disabled from injury shall be treated as having suffered disability in line of duty; and those who do not qualify as martyrs shall be treated as having died in the line of duty.

Citizens other than state functionaries and staff members and workers who suffered disability or died in the struggle against law-breaking and criminal acts shall be treated by their local people's government with reference to relevant regulations.

Unemployed people who contributed to the struggle against law-breaking and criminal acts shall be provided jobs by their local people's government on a priority basis. Where the unemployed died or lost their ability to work in the struggle against law-breaking and criminal acts, employment shall be provided to one of their immediate family members meeting employment requirements.



Article 40. Where citizens suffered injury or disability or died in the struggle against law-breaking and criminal acts, the attackers or their guardians shall pay for the citizens' medical and funeral expenses and living allowances in accordance with the law. Where the attackers and their guardians truly do not have the ability to pay for the expenses, the local people's government shall resolve the matter in accordance with relevant regulations.

Article 41. Public health and medical units and personnel shall immediately rescue and treat patients who are injured in the course of heroically struggling against law-breaking and criminal acts; they shall not stall to shift their responsibilities to others. Investigations shall be conducted to fix the responsibility of the person in charge of the medical unit and medical personnel involved who caused serious consequences to victims as a result of their tardiness in treatment or as a result of their irresponsible actions.

Article 42. Comprehensive management of social order organs at various levels shall commend and reward units and individuals meeting one of the following requirements—as to those who make exceptionally marked contributions, organs at and above the county level shall recommend them and report to the people's government at the same level for approval to award them a Citation for Merit or an honorary title:

- (1) Those who make marked achievements in cracking down on crimes;
- (2) Those who make marked achievements in implementing the comprehensive management target responsibility system;
- (3) Those who make remarkable contributions to safeguarding the reunification of motherland and fighting acts aimed at splitting the nation;
- (4) Those who fight crimes and make contributions to protecting the property of the state, collectives, and people, as well as people's lives;
- (5) Unit leaders and persons in charge of public security scoring marked achievements in work related to comprehensive management;
- (6) Those who make major contributions to guarding public security, mediating disputes, helping and teaching law offenders, preventing the occurrence of major crimes, traffic and fire safety, and so forth; and
- (7) Those who make major contributions to work related to comprehensive management of social order.

Article 43. As to those who violate regulations and are in one of the following categories, organs shall determine action on the basis of their authority or suggest relevant administrative departments not to appraise their units as socialist spiritual civilization or other comprehensive advanced units; key leaders, leaders in charge, and people directly responsible shall not be appraised as advanced models, promoted, and shall be given criticism education, disciplinary sanctions, or pecuniary punishments; those who violate the management of social order shall be handled by the public security organs in accordance with the law; those committing crimes shall be affixed responsibilities according to the law:

- (1) Leaders who are passive about work related to comprehensive management of social order, so that public security and order in that locality and unit is chaotic and the masses are discontented;
- (2) Measures for comprehensive management of social order are not carried out thoroughly; as a result, cases continue to occur, causing great losses to state interests, and the people's lives and property;
- (3) Major cases or vicious incidents occur as a result of dereliction of duty by leaders in charge and people in charge of public security, causing great losses and an adverse impact;
- (4) Major hidden trouble in public security, and provocative controversies and disputes that are not handled effectively which have serious consequences and endanger social stability;
- (5) Those who intentionally conceal or make false reports on criminal cases or major public security incidents; and
- (6) Unit staff and family members who commit serious crimes.

Article 44. Overruled units or individuals who are not convinced about the veto decision shall be handled according to the "(Trial) Regulations on Implementation of One-Vote Veto System for Comprehensive Management of Social Order."

#### Chapter VII. Supplementary Articles

Article 45. Xinjiang Uygur Autonomous Regional Committee for the Comprehensive Management of Social Order shall be responsible for interpreting issues related to implementation of these regulations.

Article 46. These regulations shall come into force upon promulgation.

### ARATS Requests Meeting With SEF To Discuss Qiandao

OW2004105694 Beijing XINHUA Domestic Service in Chinese 1031 GMT 20 Apr 94

[Text] Beijing, 20 Apr (XINHUA)—A letter which the Association for Relations Across the Taiwan Strait [ARATS] sent to Taiwan's Strait Exchange Foundation [SEF] today states: The case concerning the "Zhejiang Qiandao Lake" cruise-boat Hairui has been cracked. Please send personnel from your foundation to Hangzhou as quickly as possible within the time we agreed upon. Experts in related fields may accompany them. We will ask experts in related fields to provide specifics of this case.

### XINHUA Report on Taiwan's Reaction to Boat Incident

OW1904114994 Beijing XINHUA Domestic Service in Chinese 0714 GMT 19 Apr 94

[Text] Beijing, 19 Apr (XINHUA)—The concerned departments of the Taiwan authorities recently used the "Qiandao Lake incident" as a pretext to announce the "temporarily halting" of cultural exchange activities between the two sides of the Strait and "boycott" travel to the mainland and economic exchanges between the two sides. The actions taken by the Taiwan authorities have cast a shadow over relations and contacts between the two sides and have made more and more people on the island worried and dissatisfied. People of many trades and professions hold that the Taiwan authorities' actions are not appropriate and that the suspension of exchanges and contacts with the mainland will hurt Taiwan the most.

Taiwan's tourist business will suffer seriously due to "boycotting travel to the mainland." Taiwan's "Mainland Affairs Commission" decided to boycott travel to the mainland by the people starting 1 May and the tourist services would have to assume economic losses due to the decision. People of related trades pointed out that travel to the mainland account for a big proportion of Taiwan's tourist business. In Taipei [Taipei] City alone, there are some 100 travel services handling travels to the mainland. April and May are peak months for travel to the mainland with 15,000 to 18,000 travelers each month. The travel services will suffer at least 100 million New Taiwan dollars' economic losses due to the halt of travel to the mainland. People of Taiwan's tourist business pointed out that in the past seven years, Taiwanese visited the mainland some 6 million times. The number is unprecedented and the people's visits are practical exchanges between the two sides. Travel and contacts between the two sides of the strait must not stop because of this singular "Qiandao Lake incident."

People in business circles also hold that the two sides of the strait have already established close contacts and that the retrogression of economic exchanges and trade between the two sides will bring very big harm and loss to Taiwan's businessmen. Huang Zhaofu [Huang Chao-fu], secretary general of Taiwan's "Industrial Association

for Relations Between the Two Sides of the Strait," said: Many Taiwan businessmen told the association that economic and trade activities must not be influenced by the "Qiandao Lake incident." Taiwan businessmen's interests are mixed together with the mainland's interests, and we should make no distinction between what are one's own and what are other people's interests. Using the "Qiandao Lake incident" to create a big display will only hurt the interests of Taiwan's businessmen and cannot stop the tide of Taiwan businessmen's investment on the mainland and economic exchanges and trade between the two sides of the strait.

The temporary halt of cultural exchanges was also opposed by people of cultural circles. Many people of the cultural circles pointed out that cultural exchanges between the two sides of the strait are favorable to Taiwan's absorbing the mainland's advantages in culture, science and technology and are conducive to Taiwan's cultural development. To stop cultural exchanges between the two sides because of this singular incident will hurt understanding and link established gradually through cultural exchanges.

Taiwan's news media also pointed out that some people on the island are using the "Qiandao Lake incident" to instigate Taiwan compatriots' anti-mainland sentiments and advocate "Taiwan independence." They are both inadvisable. The Taiwan authorities' "boycotting measures" are to seize on an incident to exaggerate matters and will hurt both sides, especially the people in Taiwan.

### Commentary Refutes Idea of Beijing Threat to Taiwan

OW1904085294 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 17 Apr 94

[Commentary by station editor Huang Keren: "From Which Direction Does the Threat to Taiwan Come?"; from the "News and Current Events" program]

[Text] Not long ago, the state security organ cracked a case of spy sent by Taiwan's Kuomintang [KMT]. Liu Hui, who was sent by Taiwan's KMT military intelligence bureau to sneak into the mainland to conduct espionage activities, was arrested according to law. This was another indication of the persistent hostility cherished by the Taiwan authorities.

A very large problem exists in the development of cross-strait relations: namely, the persistent hostility on the part of the Taiwan authorities toward the mainland. The Taiwan authorities treat the mainland as a powerful foe posing a threat to the security of Taiwan. On 27 September last year, the Taiwan authorities held an army-navy-air force joint military exercise, comprised mainly of landing, anti-landing, airborne, and anti-airborne operations, in Penghu [Pescadores] area, targeting the mainland as the imaginary enemy. This was a military exercise of a comparatively large scale in recent years. In February this year, Taiwan's marines conducted a military exercise code-named (?Lien-ching 68),

comprised mainly of offensive surprise landing operations from the sea, in waters off the coast of southwestern Taiwan. Meanwhile, the motorized units of Taiwan's army will conduct north-south joint war games soon. All of these military exercises are directed against the mainland. The scale of these exercises was rarely seen in those conducted in previous years. In addition, the Taiwan authorities' national policy center sponsored a seminar on the management of national defense to specially study the issue of Taiwan's security, treating the mainland as the main foe that poses a threat to Taiwan's security. Such practices on the part of the Taiwan authorities not only cause cross-strait relations deteriorate and spoil the peaceful and propitious atmosphere across the Taiwan Strait, but will make our own people sad and the enemy glad.

For a considerably long period of time to come, the mainland will dedicate its efforts to reform, opening up, and economic construction, and will strive for fulfillment of the grand objectives of promoting economic development and building socialism with Chinese characteristics. Therefore, it needs an international and domestic environment of long-term stability to achieve this end. It is entirely groundless to say that the mainland poses a threat to Taiwan's security. Just the opposite, the mainland has taken a number of initiatives, such as dissolving the Fuzhou Military Region, reducing the number of army units stationed in Fujian Province, and making some ports, wharves, and military installations available for civilian use, to resolve the cross-strait hostility and to bring about a change in the situation of confrontation, thereby making important contributions to the improvement and development of cross-strait relations.

The threat to Taiwan's security does not come from the mainland. Instead, it comes from the Taiwan independence movement that has been bent on disrupting Taiwan's stability and has been trying hard to split the motherland. The mainland has played an important role in checking the Taiwan independence movement. It is an important force that maintains Taiwan's stability and protects Taiwan's security.

#### **Working Conference on Mainland-Taiwan Economy Ends**

OW1504141194 Beijing XINHUA in English 1330  
GMT 15 Apr 94

[Text] Beijing, April 15 (XINHUA)—A five-day working conference on mainland-Taiwan economy, presided over by the State Council, ended in Beijing today.

Communist Party and state leaders Jiang Zemin, Li Peng, Qiao Shi, Hu Jintao, Li Lanqing, Zou Jiahua, Qian Qichen, Luo Gan and Wang Zhaoguo attended the conference.

Chinese President Jiang Zemin noted that the reunification of China is the historical mission of the Chinese people and it is the will of all Chinese people and an irresistible historical trend.

He said that in recent years, the economic relations across the Taiwan Straits have been developing rapidly and have a sound basis.

He stressed that enhancing the economic exchanges and cooperation on the two sides of the straits will promote common development and common understanding and facilitate the development of economic relations of the two sides and reunification of the country.

Premier Li Peng said that the economy on the two sides can complement each other.

He said that the economic cooperation between the two sides benefit the people both on the mainland and Taiwan.

He called for improvement in the investment environment on the mainland and stressed the importance of infrastructure construction and cultural and ethical construction.

He said that the State Council will enhance coordination of the development of mainland-Taiwan economic relations and in due time solve any problems in the sector so as to promote the healthy development of the mainland-Taiwan economic relations.

Thus, he said, Taiwan businessmen's investment in mainland will fit in with the mainland's industrial policy and the businessmen will be able to make profits.

He said that only through economic cooperation would the mainland and Taiwan achieve common prosperity.

After reviewing work on the mainland-Taiwan economic relations in recent years, the conference noted that under the guidance of the basic principle of "one country, two systems" of the central committee of the Chinese Communist Party, the State Council has formulated and adopted many effective policies and measures in recent years.

With the efforts of local governments and departments, Taiwan compatriots gradually lost their misgivings about trade and economic activities with mainland counterparts. They broke through the Taiwan authorities' various limitations and contributed to the development of mutually complementary and beneficial economic and trade relations and common prosperity of the two sides of the straits.

Now all provinces, autonomous regions and municipalities have Taiwan businessmen-funded enterprises.

The conference pointed out that the mainland's economic laws and regulations concerning protecting Taiwan businessmen's lawful rights and interests are improving.

It noted that the rapid economic development, establishment of a socialist market economic structure and the vast market on the mainland constitute a unique opportunity for the continuous economic development in Taiwan.



The conference pointed out that while Taiwan businessmen-funded enterprises are encouraged to operate well on the mainland, the comprehensive economic exchanges and cooperation will be promoted.

The conference called on the mainland and Taiwan to enhance cooperation in opening up international markets and cooperation in agriculture and technological industry.

It also called for direct exchange of mail service, trade and air and shipping services between the two sides across the Taiwan straits.

The conference stressed implementation of the law on protection of the investment of Taiwan compatriots, solution to problems in consultations on information, policies and laws in economic activities for Taiwan businessmen, raising work efficiency and improving service quality so as to provide more convenient conditions for Taiwan businessmen.

Vice-Premiers Li Lanqing and Qian Qichen also spoke at the conference.

### **Justice Minister Denies Taipei Exploiting Prison Labor**

*OW1904141094 Taipei CNA in English 1249 GMT  
19 Apr 94*

[By Benjamin Yeh]

[Text] Taipei, April 19 (CNA)—Justice Minister Ma Ying-jeou said Tuesday [19 April] that the Republic of China [ROC] has not exploited prison laborers for economic gain, in accordance with a United Nations' Convention on Human Rights.

Ma, in response to an inquiry by Kuomintang Legislator Cheng Chien-jen, stressed that the export of toys manufactured by a Taichung Prison to the United States has also not violated either ROC or United States law.

The associated press reported in a dispatch from Colorado on Monday that a 10-year-old boy found a note from a toy glider he bought. The note read, in broken English: "Hey lucky friends. This toys make in prison Taiwan ROC." The writer asked the recipient of her note to "investigate Taiwan ROC disobey international human right law."

Ma noted that the present law requires inmates to learn skills in prisons. "The process is legal," Ma said.

He emphasized that none of the inmates in Taiwan's prisons have been exploited, and that the firms contracting with the prisons here have not subsequently gained an unfair competitive edge.

Ma said the government will give an accounting of its prison-labor practices to the United States. He tried to play down the significance of the incident, saying it has drawn wide attention only because of its dramatic nature.

Officials at Taichung Prison identified the writer of the note as Liu Hsing-ping, 40, who began serving his nearly 13-year sentence for theft and rape in January 1991.

The prison has 45 workshops where inmates are employed by 35 manufacturers engaging in toy-making, printing, sewing and other lines of work.

According to ROC law, the inmates are paid to work six to eight hours a day, with 40 percent of the pay going into their pockets and the remaining 60 percent used for upgrading prison facilities.

### **Legislators Charge Beijing With Blocking Taipei's UN Bid**

*OW1904142994 Taipei CNA in English 0805 GMT  
19 Apr 94*

[By Kao Ling-yun and Sofia Wu]

[Text] Geneva, April 19 (CNA)—Three Taiwan legislators Tuesday charged Beijing with infringing upon Taiwan's right to participate in the United Nations.

The trio—Chen Che-nan and Stella Chen of the Democratic Progressive Party and Tsai Chung-han of the ruling Kuomintang—made the charge to the UN Commission on Human Rights.

They asked the commission to send officials to Taiwan to see for themselves Taiwan's current political and economic situation and its desire to join the UN.

"A trip to Taiwan will help you understand how unreasonable it is that the 21 million people in Taiwan are not represented in the world body," Stella Chen told a commission official.

The three lawmakers also asked the UN commission to condemn Beijing for its callous handling of the March 31 Qiandao Lake travel disaster in which 24 Taiwan tourists died, and push Beijing to unveil the truth about the incident.

The UN official said the three must furnish the commission with more data before it can accept their charge against Beijing.

He told the Taiwan lawmakers that the UN General Assembly recognizes Beijing as the sole legitimate government of China and regards Taiwan as part of China.

"That is a political reality which this commission, a UN affiliate, cannot revoke," the official noted.

He said although he is fully aware that Taiwan and Mainland China are ruled by two different governments and each has its own military, "I, as a UN civil servant, cannot freely criticize the UN for turning a blind eye to such facts."

He added that even if Taiwan declares independence after holding a plebiscite, its chances of joining the UN are still slim unless the UN General Assembly changes its "one China" policy.

Taiwan has been kept out of the world body since Beijing assumed the UN China seat in 1971.

The three lawmakers told the news media later that they will launch a "one person, one letter" campaign after returning to Taiwan, which will encourage every Taiwan resident to write to the UN expressing the country's strong desire to win a seat in the world body.

They arrived in Geneva late Monday [18 April] after attending a meeting of the Unrepresented Nations and Peoples Organization (UNPO) in the Hague.

At their request, the UNPO filed a lawsuit against Beijing, on behalf of Taiwan, in the International Court of Justice Monday for Beijing's repeated attempts to prevent Taiwan from entering the UN.

Two court officials accepted the lawsuit, but they didn't make any comments or explanations.

The three Taiwan lawmakers later lodged a protest with the mainland Chinese Embassy in the Hague, demanding that Beijing apologize to the bereaved families of the 24 Taiwan tourists killed in the Qiandao Lake incident, and stop blocking Taiwan's efforts to join the

UN. The trio put their protest in an embassy letter box as no embassy official would meet them.

Dozens of overseas Chinese from the Netherlands and Germany joined the three in a demonstration outside the mainland embassy.

The three along with another DPP legislator, Parris Chang, arrived in the Hague last Friday to attend the UNPO round table meeting which was chaired by Chang.

The UNPO, an alternative United Nations, was founded in the Netherlands in February 1991 to help ethnic minorities and peoples which are not represented in the UN or other major world organizations.

### 'Unrepresented Nations' Group Supports Taipei Bid for UN

OW1604084894 Taipei CNA in English 0740 GMT  
16 Apr 94

[By P.C. Tang and Sofia Wu]

[Text] The Hague, April 15 (CNA)—The Unrepresented Nations and Peoples Organization (UNPO) will support Taiwan's bid to join the United Nations, UNPO Secretary-General M.C. Van Walt Van Praag said Friday [15 April].

The Hague-based organization has a wealth of experience in lobbying the United Nations and maintains close relations with some Western countries. "We can use our special ties and experience to help Taiwan win a UN seat," Van Praag told CNA.

The UNPO can also mobilize the world news media to support Taiwan's UN bid, he noted.

Taiwan has been kept out of the world body since Beijing assumed the UN China seat in 1971.

Van Praag said UNPO may discuss detailed measures to help boost Taiwan's UN bid during its April 18 round table session.

However, Van Praag, a lawyer and an international law expert, said the UNPO cannot sue Beijing in the International Court of Justice for blocking Taiwan's entry to the UN.

"Only UN members or affiliate organizations can file lawsuits in the world court," explained Van Praag. "Although the UNPO is recognized by the UN as a non-governmental organization, it is not a UN affiliate," he noted.

Van Praag, who is also legal advisor to Tibetan spiritual leader the Dalai Lama, was commenting on a proposal by four Taiwan legislators that the UNPO sue Beijing in the world court on behalf of Taiwan.

The four—Parris Chang, Stella Chen, Chen Tze-nan of the Democratic Progressive Party and Tsai Chung-han of the ruling Kuomintang—arrived here Friday to attend the UNPO round table session.

Parris Chang, chairman of the UNPO Steering Committee, will chair the meeting, which will discuss the prevention of international conflict in the post-Cold War world.

The two-day conference will bring together more than 200 delegates from 36 UNPO members, the United Nations, the UN high commissioner for refugees, and other major international organizations. Senior officials from the Dutch Foreign Ministry and several European countries will also attend the meeting.

The UNPO, an alternative United Nations, was founded in the Netherlands in February 1991 to help ethnic minorities and peoples which are not represented in the UN and other major world organizations.

### Purchased Patriot Missiles To Be 'Improved Version'

OW1904112094 Taipei LIEN HO PAO in Chinese  
14 Apr 94 p 1

[By reporter Lu Chao-lung (0712 2507 7127)]

[Text] Taipei—It was disclosed that the Army will spend more than NT\$ [New Taiwan Dollars] 10 billion for the purchase of 200 Patriot missiles of an improved version to equip three missile companies to be deployed in northern Taiwan to guard against tactical missiles and air defense. The Patriot is the only missile that has had actually been able to counterstrike other missiles.

During a luncheon with Legislator Wang Tien-chin yesterday [13 April], Lt. General Chang Kuang-chin, deputy commander in chief of the Army, and other high-ranking Army officers briefed him in detail about the purchasing plan. The Army was quite impressed with Wang's recent rather professional questions on Patriot missiles.

It was disclosed that, after extensive assessment, the Army is able to combat the problem of launching Patriot missiles even under circumstances that the Republic of China [ROC] lacks satellite navigation for missile launching. A high-ranking general also confirmed that the launching of Patriot missiles will not be affected by lack of satellite navigation. Army officers also learned from a study trip in the United States last July that the U.S. Army does not consider the Patriot outdated and will continue to improve the missile.

Regarding how accurate the missile is in hitting a target, information provided by the Army shows that Patriot missiles can be 40 to 70 percent accurate in hitting a target. The information is based on various sources, including briefings at the U.S. Congress given by an assistant chief of staff of the U.S. tactical planning units.

It was pointed out that Patriot missiles have been improved four times and the system the ROC Army will purchase is the latest. On the basis of the tactical capabilities it demonstrated in the Persian Gulf War, this model has gone through the U.S. Army's tactical tests and thus has a better launching control system.



**Navy Commander-in-Chief Reportedly To Step Down**

OW1504081694 Taipei CNA in English 0753 GMT  
15 Apr 94

[By Sofia Wu]

[Text] Taipei, April 15 (CNA)—Navy Commander-in-Chief Adm. Chuang Ming-yao will resign Saturday [16 April] to take responsibility for a cash-for-secrets scandal sweeping the Navy's top ranks, Defense Minister Sun Chen said Friday.

Vice Defense Minister Adm. Ku Chung-lien, 62, will succeed Chuang, who will become a strategy advisor to the president, Sun added.

"Chuang, whose resignation comes only two weeks before his two-year tenure expires, will step down to take responsibility for a major arms procurement scandal involving many of the Navy's top brass," Sun explained. Investigation into the scandal was sparked last December by the murder of Navy Captain Yin Ching-feng.

Chuang, 65, is the first senior naval officer to step down since the body of Captain Yin was found floating in the sea off Taiwan's northeastern coast December 10, 1993.

Meanwhile, Chang Chen-ya, director of the Navy's Political Warfare Department, will also leave his post Saturday, Sun said.

"The personnel changes are the first step the government has taken to assume responsibility for the Yin case," Sun noted, adding more military officers will be disciplined for the arms purchase scandal which includes bribetaking and leaking of military secrets in addition to the death of Yin.

Disciplinary measures will be announced after judicial authorities make a final judgment on those involved, Sun added.

On Thursday, military prosecutors indicted Captain Kuo Li-heng, a Navy weapons procurement officer who has been in custody since late last year, for corruption and leaking military secrets.

Kuo allegedly took bribes totaling NT\$12 million (us\$452,830) offered by civilian arms dealers in exchange for military secrets, the Ministry of National Defense said.

The ministry did not detail what secrets were leaked and whom the information went to, but the local media said earlier that Kuo gave the information to an arms dealer who worked for a foreign arms supplier.

Kuo will be tried by a military court and if convicted, he will face either the death penalty or life in prison.

Kuo faces a separate trial by a civilian court for his alleged role in the Yin murder case. A Taipei prosecutor has promised to issue indictments for Kuo and three other suspects before the end of April.

Yin, whose killers have not yet been identified, is believed to have been murdered as he was about to disclose irregularities in the awarding of lucrative military contracts, the local media said. The Defense Ministry and police have offered cash rewards totaling NT\$7 million for information leading to the arrest of Yin's killers.

At least eight other military officers and six local arms dealers have been detained for the case.

**President Li To Address Nicaraguan Parliament**

OW1504144394 Taipei CNA in English 1314 GMT  
15 Apr 94

[By Benjamin Yeh]

[Text] Taipei, April 15 (CNA)—President Li Teng-hui will address the Nicaraguan Parliament on his official visit to the Central American country next month, a Foreign Affairs Ministry official said Friday [15 April].

"President Li would become the third foreign head of state to give a speech to the Nicaraguan Parliament," said Hou Ching-shan, an official with the Ministry's Central & South American Affairs Department, who is fresh from visiting Nicaragua to arrange Li's trip.

"It would be the highest honor accorded to the head of a foreign state," Hou said.

President Li will arrive in Nicaragua on May 4 and then meet with Nicaraguan President Violeta Barrios de Chamorro, Hou said, adding that a joint statement will be issued following the meeting.

Li will also visit a Taiwan-owned textile factory that employ 1,500 workers, making it the largest single employer of textile workers in Central America.

From Nicaragua, Li will proceed to Costa Rica on May 6 to attend the inaugural ceremony for President-Elect Jose Maria Figueres. Li will be awarded a medal by Costa Rica in recognition of his contribution in promoting ties between the two countries.

A joint communique will also be issued after a meeting between Li and the outgoing Costa Rican President Rafael Angel Calderon.

Accompanying Li on the two-leg visit will be Foreign Affairs Minister Chien Fu, Chairman Hsiao Wan-chang of the Council for Economic Planning and Development, and Governor Samuel C. Shieh of the Central Bank of China.

Nicaragua and Costa Rica, along with five other Latin American countries, submitted a letter to United Nations Secretary-General Butros Butros Ghali last August requesting that the United Nations put the Republic of China's UN bid on the agenda for the 48th General Assembly in September 1993. The request was later voted down.

**Export-Import Bank 'Reportedly' To Grant Loan to Nicaragua***OW1604085294 Taipei CNA in English 0727 GMT  
16 Apr 94*

[By Benjamin Yeh]

[Text] Taipei, April 16 (CNA)—The Inter-American Development Bank (IDB) reportedly has reached an agreement with the Export-Import Bank of the Republic of China [ROC] on a US\$50 million low-interest loan to Nicaragua.

Under the agreement, the Taiwan bank will extend a US\$30 million 20-year soft loan to Nicaragua at 3 percent annual interest. The loan includes a 78-month principal and interest holiday, the Taipei-based UNITED DAILY NEWS reported in a dispatch from Washington, DC, on Friday [15 April].

IDB agreed to provide U.S.\$20 million of the loan, which is expected to be used for Nicaragua's agricultural development projects, the paper said.

If realized, the paper said, it will be the second loan extended by IDB and Taiwan. In 1992, they loaned U.S.\$130 million to Nicaragua to help the Violeta Barrios de Chamorro administration modernize its trade and banking sectors. Taiwan provided U.S.\$30 million of the loan, the paper said.

However, an Export-Import Bank spokesman told CNA that he knew nothing about the proposed loan and a Ministry of Foreign Affairs official, speaking on condition of anonymity, denied an agreement had been reached with the IDB.

The official declined to elaborate.

The report came less than three weeks before president Li Teng-hui is scheduled to visit Nicaragua. Li will meet Nicaraguan President Chamorro during his May 4 visit.

Nicaragua is a staunch ally of Taiwan. Nicaragua, together with six other Latin American countries, submitted a letter to United Nations Secretary-General Butrus Butrus-Ghali last August requesting that the UN put the Republic of China's UN bid on the agenda for the 48th General Assembly in September 1993.

**Trade Official Previews 2d Round of GATT Talks With U.S.***OW1604085494 Taipei CNA in English 0751 GMT  
16 Apr 94*

[By Sofia Wu]

[Text] Taipei, April 16 (CNA)—Negotiators from Taiwan and the United States will meet in Washington next month to discuss tariff and non-tariff trade issues related to Taiwan's General Agreement on Tariffs and Trade (GATT) membership application, a Board of Foreign Trade (BOFT) official said Saturday [16 April].

"The second round of informal Taiwan-U.S. trade consultations under the GATT framework will begin May 9 and we hope the talks will produce concrete results," said Tsai Lien-sheng, a BOFT department director.

Major topics will include tariff reductions and the removal of non-tariff trade barriers, including liberalization of agricultural imports, government procurement and aircraft purchases, Tsai noted.

During the first round of talks held in Taipei in late February, American delegates were dissatisfied with Taiwan-proposed tariff cuts on a range of industrial and agricultural products.

Tsai said the U.S. wants Taiwan to make greater tariff reductions in accordance with the GATT Uruguay Round accord and allow free imports of farm products.

Tsai said the government will seek a 10-year adjustment period for local rice farmers. Taiwan will only allow imports of 1 to 4 percent of its annual rice consumption for the first 10 years after joining GATT. After the adjustment period, Taiwan's market will become fully open to foreign rice imports, he explained.

Tsai said Taiwan may agree to sign a GATT agreement on government procurement to facilitate its GATT entry.

BOFT Deputy Director-General Lin Yi-fu will head the Taiwan delegation to the May talks, Tsai added.

**EPA Says Acid Rain Threat Increases***OW1404140494 Taipei CNA in English 1247 GMT  
14 Apr 94*

[Text] Taipei, April 14 (CNA)—Acid rain is posing a greater threat to Taiwan than ever before, according to the Environmental Protection Administration [EPA].

An EPA official said the north of Taiwan was at greatest risk, but that the pattern exists around the island.

According to data collected by the EPA from 12 sites around the island from September [word indistinct] through March 1994, the rain falling at Wanli, a coastal township about 30 minutes drive from Taipei, was the most acidic, with an average PH level of 4.3.

PH is a measure of the concentration of hydrogen ions in water. The range of PH values is from 0 to 14. PH levels from 0 to 7 indicate acidity, with 0 being the most acidic, and PH levels from 7 to 14 indicate alkalinity. A PH level from 6 to 8 is considered safe. PH levels in rain at all 12 sites the EPA kept statistics for were all below 6.

The EPA statistics show that rain falling at Wanli and Panchiao, a suburb of Taipei, [words indistinct] levels of 3.9 in January, while Yangmingshan and Kuanying—also in the north—also had especially acidic rainfall.

The lowest levels of acidity in rain were found in Taihsi in western Taiwan and Taitung in the southeast. PH levels there were 5.6—signaling a smaller threat to the environment, but a threat nonetheless.

## Hong Kong

### Residents Denounce 'New Territories' Regulations

OW1904110994 Beijing XINHUA Domestic Service in Chinese 0805 GMT 19 Apr 94

[Text] Hong Kong, 19 Apr (XINHUA)—Some 2,000 villagers in the northeastern district of Hong Kong's New Territories on 17 April staged a rally, strongly condemning the British Hong Kong authorities' support for amending the draft of the "New Territories Land (Exemption) Regulations" in an attempt to divide up the people of Hong Kong and to induce social instability in New Territories.

In a speech at the rally, Liu Huangfa, chairman of the New Territories Township Council, said: With only three or more years left before China resumes the exercise of sovereignty over Hong Kong, the customs and habits and traditional rights and interests of the original inhabitants of New Territories are being brutally trampled upon. What is worse is that the British Hong Kong authorities, intending to break the promise made when they leased New Territories, have suddenly rendered support to some council members' motion to amend the draft of the "New Territories Land (Exemption) Regulations." He said: "We are justified to believe that quarters concerned are carrying out a major scheme aimed at destroying the traditions of the New Territories, depriving the original inhabitants of their rights and interests, and dividing up the people of Hong Kong."

Chairmen of the seven township councils in the northeastern district, as well as many villagers, including women, and former inhabitants of the New Territories who have taken up residence abroad, spoke at the rally, supporting the New Territories Township Council's action to protect the original inhabitants' lawful rights and interests. A female college student denounced some Legislative Council members for making statements that smear the image of original female inhabitants of the New Territories. According to her, the majority of the original female inhabitants, who do not care much about the family assets of their father's generation, hold a harmonious and ethical society more important than material interests.

After the rally, villagers proceeded to Fengji Township to pay tribute to martyrs who died while resisting British troops 96 years ago. In 1898 when British colonialists wanted to forcibly lease New Territories after occupying Hong Kong, more than 100,000 people of the 423 New Territories villages staged valiant resistance and many died heroically. In April 1899 when British troops took over the New Territories, the masses bombarded British barracks and were brutally suppressed. Some 200 villagers sacrificed their lives.

### Portuguese Prime Minister To Meet Governor Patten 20 Apr

HK2004055094 Hong Kong EASTERN EXPRESS in English 20 Apr 94 p 2

[By Harald Bruning in Macao]

[Text] The Portuguese Prime Minister, Anibal Cavaco Silva, will meet the Governor, Chris Patten, today to discuss the run-up to 1997 and Macao's reversion of sovereignty in 1999.

Cavaco Silva, who arrived in Hong Kong yesterday afternoon from Macao for a two day visit, denied that Chinese leaders had given him a message to convey to Patten during his seven-day visit to China last week.

Speaking at a press conference before he left Macao yesterday, Cavaco Silva said Portugal would strengthen its presence in Macao after 1999 with the establishment of Portugal's largest mission in a foreign country.

Unlike Britain's stormy relationship with Beijing, Portugal has so far avoided any public dispute with China over the 1999 hand-over and both countries regard the enclave as Chinese territory under Portuguese administration.

"I am very interested in talking with Chris Patten about the transition periods of Macao and Hong Kong," Cavaco Silva said. "If I had any message from Chinese leaders for Chris Patten, I would not reveal it here [in an interview]."

Cavaco Silva also yesterday defended his stance on human rights during his talks with Chinese leaders—the Premier, Li Peng, and President Jiang Zemin.

He has been criticised by the Catholic Church in Portugal which accused him of not pursuing the issue adequately. The Portuguese media also accused Cavaco Silva of avoiding raising the issue in order to acquire trade advantages for Portugal. But the Prime Minister said that a "discreet" and "private" approach when dealing with China on the issue achieved better results than discussing it "on a public square".

Cavaco Silva said Portugal advocated the "Western and democratic concept of human rights" in its relations with foreign countries, particularly those in Asia and Africa.

The Prime Minister said Portugal would also make efforts to establish itself as a gateway for Asian businesses while Macao constituted an "advantage for the Portuguese" entering China and other regional markets.

### 'Absolutely No Way' Lu Ping To Meet Patten During May Visit

HK2004054994 Hong Kong EASTERN EXPRESS in English 20 Apr 94 p 1

[By Rain Ren]

[Text] Lu Ping, the director of the Hong Kong and Macau Affairs Office, will visit the territory next month for the first time since Chris Patten took office as Governor.

He will attend meetings of the Preliminary Working Committee (PWC) - China's "second stove" - but will avoid any contact with Patten and other senior Hong Kong government officials.



There was "absolutely no way" that Lu would meet the Governor next month "no matter how many times he has been invited by Patten", a senior Chinese official said yesterday.

Mike Hanson, the Government's spokesman, said Patten had recently written to Lu to again invite him to Hong Kong but had not received a reply. "We want to go on talking on a whole range of issues. We are happy to do so."

"Lu is directly involved in all these issues and dialogue must be useful for the long term well-being of Hong Kong," Hanson said. "The Governor has made it clear many, many times that he would be delighted to welcome Lu Ping to Hong Kong."

Lu was last in Hong Kong to bid farewell to the previous governor, Lord Wilson. His decision to stay away is seen as a response to the controversial political reform plans Patten published in October, 1992. The Memorandum of Understanding (MOU) on the new airport stipulates that Lu and Patten should "hold regular meetings" to discuss Hong Kong affairs. Lu will attend the PWC's government and administration and economic sub-committee meetings from May 2-5.

A Chinese official based in Hong Kong said there were political considerations behind the decision to hold PWC meetings in the territory. "It shows that the Chinese government is determined to facilitate the work of the PWC and to make it public that the so-called second stove, or shadow government, is working effectively," he said. Lu will be accompanied by his two deputies, Wang Fengchao and Chen Ziyang.

Lu is expected to remain in Hong Kong for another few days, a Chinese official said, to "gather first-hand information about Hong Kong's sentiments" towards the PWC's work.

#### **Executive Council Approves Bill on Court of Appeal**

HK2004052694 Hong Kong *EASTERN EXPRESS* in English 20 Apr 94 p 1

[By Sally Blyth]

[Text] The Executive Council [Exco] has approved the legislation needed for setting up of the controversial Court of Final Appeal, paving the way for talks on the issue to reopen with China within the next few weeks.

The draft bill is based on the 1991 Sino-British agreement on the Court of Final Appeal, which was vehemently opposed by the legal profession and legislative councillors at the time. There are also signs that China will not be entirely happy with the legislation either. However, Exco's endorsement comes amid renewed government warnings that legislators will be left with a stark choice: "now or never" if the court is to be set up before 1997. [as published]

The Government has also revealed there are already signs of international uncertainty over the territory's future legal system.

Senior officials said a copy of the draft bill, together with an explanatory note, would be submitted to China within the next "two to three weeks", and it is hoped the talks can begin with Beijing as soon as possible after that, under the auspices of the Sino-British Joint Liaison Group.

Britain always promised China would be consulted over implementation of the 1991 agreement. That accord limits to one the number of overseas judges who can sit on the five member body. However, there are already indications from Beijing that it wishes to put further restrictions on the composition of the court by insisting that the Chief Justice, who will head it, and the three local judges will be Chinese nationals with no right of abode other than Hong Kong. Under the Basic Law, only the Chief Justice has to meet this requirement and there has been no previous mention of the nationality of the three judges. The Government maintains there is no reason for Beijing to oppose the new law since it has followed all previous accords on the issue.

There remains the further hurdle of the bill then being passed by the Legislative Council [Legco]. So far there has been no sign that either the legal profession or legislators have eased their opposition to the original Sino-British agreement. Legco has vowed to fight the bill on the grounds that the limit placed on the number of overseas judges who can sit on the body is in breach of the Joint Declaration and the Basic Law.

Government sources have reiterated concern that time is running out for the establishment of the Court of Final Appeal. They say there is no hope of renegotiating the deal and unless the court is set up in accordance with what has been agreed, there is a grave danger that Beijing might establish a Court of Final Appeal after 1997 which would be worse than the present arrangements. The administration is also warning there are signs the international community is already wary of the uncertainty over Hong Kong's judicial system and this could get worse in the run-up to 1997.

#### **'Pro-Beijing Forces' 'Split' as New Party Launched**

HK2004041294 Hong Kong *SOUTH CHINA MORNING POST* in English 20 Apr 94 p 5

[By Fung Wai-kong]

[Text] The territory's pro-Beijing forces split further yesterday, the day after the liberals formed a new alliance. A new pro-China party, the Hong Kong Progressive Alliance, to be officially launched today, has more than 50 members, most of whom have close contacts with the Chinese Government. Its core members include Ambrose Lau Hon-chuen, a Hong Kong affairs adviser and Central and Western District Board chairman Yu Sun-say, a delegate to the Chinese People's Political

Consultative Committee; Yu Kwok-chun, an affairs adviser and owner of the Yue Hwa Chinese Products Department Store.

Mr Lau said members did not share the political beliefs of the pro-China flagship, the Democratic Alliance for the Betterment of Hong Kong (DAB), and felt they needed their own party. "There's no reason why we should join DAB and not form our own party?" Mr Lau said. He said it was unfair to label the party as pro-China but emphasised that their strong links with China would enable better communication. Members have informed XINHUA (the New China News Agency) of their intention to form the party.

The party will field candidates for September's District Board election.

#### **Article Sees New Party as 'Blow' to PRC 'United Front'**

HK1904082394 Hong Kong EASTERN EXPRESS in English 19 Apr 94 p 2

[“Analysis” by political editor Chip Tsao: “Party Merger Is a Pragmatic Move”]

[Text] The merger of the United Democrats and Meeting Point to form the new Democratic Party, announced yesterday by Martin Lee and Anthony Cheung, is a blow to China's “united front” ploy to divide and conquer Hong Kong's democratic forces. Hong Kong's political battlefield provides fertile ground for China to employ this powerful political weapon in place of more violent means to impose its will on the political system.

Hong Kong entered a new era of political pluralism after the signing of the Joint Declaration. But the concept of pluralism was carried too far as democratic parties sprouted like mushrooms. The union of the two parties is not only a pragmatic response to China's divisive strategy, but a rare move breaking the cultural myth that Chinese people are hopeless in standing united together. It would only be too natural for Beijing to read this unprecedented development in Hong Kong's short democratic history with an eye of suspicion.

Lee and Cheung yesterday came out as winners, although the leader of the new party will not be decided until a party election in October. The appeal for others to join the union was directed to other equally influential politicians like Christine Loh and Emily Lau, both independent legislative councillors. If they heed the appeal, it will not only soften the male-dominated image of the new party, but harden its political muscle by showing voters that the new party is equipped with some of the most forthright pioneering personalities who will contest the 1995 election. This, in turn, will be balanced by the relatively moderate and intellectual former members of the Meeting Point.

One of the losers is Frederick Fung Kin-kee's Association for Democracy and People's Livelihood (ADPL). The ADPL's image was tarnished seriously when one of its founding members, Law Cheung- kwok, raised his

hand mistakenly to agree to a motion proposed by some Hong Kong members of the Chinese People's Political Consultative Conference last month in Beijing to urge the Chinese government to disband the three-tier councils after 1997. Since then Fung's party has been at pains to explain that it has not been opportunistic and sycophantic in its relations with China.

The formation of the new party will only further embarrass the ADPL as it becomes marginalised. Relations between the ADPL and some United Democrats have been cool since 1989. Some veteran United Democrats, like Szeto Wah, view the ADPL with a mixture of contempt and jealousy for its limited communications with Beijing.

Fung says he has a sense of deep respect for Szeto, claiming that his party was only following Szeto's old teaching of using the carrot-and-stick ploy to deal with China. Its differences with the United Democrats as a whole are less easily glossed over. In fact, it seems that Fung has no choice but to unite his party with the new Democratic Party, by way of a rite to cleanse itself of the Law's appalling sin. Indeed the ADPL is already knocking timidly on the door of the honeymooning newly wedded political couple by “welcoming” the merger, asking if there is still room for it to join the threesome.

Other parties yet to form an alliance are Allen Lee's Liberal Party and Tsang Yok-shing's Democratic Alliance for the Betterment (DAB) of Hong Kong. They, however, make a much less well-matched couple than the United Democrats and Meeting Point. Their only common ground is that neither wants to upset Beijing and the electorate at the same time. Some Liberals see the idea of uniting with the DAB, being the party with a clear pro-Chinese birthmark, as a suicidal move that will kiss goodbye to Liberals' chance of getting directly-elected in 1995.

Xu Tzemin, a local member of China's National People's Congress, has tried to be a marriage broker, dying to see the newly-formed adulterous “anti-communist alliance” contained by a united counterpart. It is unlikely there will be another wedding party soon. It looks like an ironic retribution that Hong Kong's democrats have stolen China's secret recipe of the “united front” to form their own real united front.

#### **Editorial Sees 'Pragmatism' Behind New Democratic Party**

HK1904072194 Hong Kong SOUTH CHINA MORNING POST in English 19 Apr 94 p 18

[Editorial from the “Comment” page: “Unity Strengthens”]

[Text] The merger between the main liberal political parties—the United Democrats of Hong Kong (UDHK) and Meeting Point—will strengthen the electoral position of the pro-democracy camp. That prospect alone will provoke China's ire. But the formation of the

Democratic Party also represents a form of united front, a tactical turning of the tables on Beijing, and China will find this all the more infuriating.

Beijing has been trying to woo what it regards as "moderate" liberals away from the "subversive" UDHK. That tactic has suffered an awkward reverse. Far from isolating the UDHK, it has drawn the democratic movement into its bosom with the appointment of Meeting Point Chairman Anthony Cheung Bing-leung as a Hong Kong Affairs adviser. Mr Cheung now turns out to be a UDHK ally after all. The merger allows Meeting Point to put its democratic credentials on display, after some months during which it seemed they might have been placed in the bottom drawer.

China undoubtedly sees the new party's pending foundation as a provocation. Already officials are saying the merger has not changed their view that core members of the United Democrats are subversive.

But the new party is also an opportunity and a challenge. For the United Democrats have shown that their oft-proclaimed desire for dialogue with China is not mere lip service. They see the value of having a link, through Meeting Point, to China. The opportunity for China is to take up the implied offer, in the interests of hearing different points of view so it can better understand the thoughts and feelings of all the people of Hong Kong.

#### Pragmatism

The recent unhappy history of political relations between Hong Kong and China suggests anger will prevail, but it would be far better if dialogue could follow.

The merger, however, is not merely an anti-Beijing countermeasure. At a more fundamental level, it reflects maturity and pragmatism on the part of both parties. It is a recognition that neither has anything to gain from allowing their opponents to exploit largely artificial divisions in the liberal camp. A single party has a better chance of winning an election outright than a coalition of like-minded parties. Even nominally divided, the democratic camp is less than the sum of its parts.

However, while the merger may have been dictated by simple electoral arithmetic—and the need to dispel any public perception of differences over China policy which would have kept the voters away in droves—its long-term success will depend on how it weathers China's expected attempts to blow it apart.

#### Cold shoulder

From what mainland officials have said, it seems likely China would not have appointed Mr Cheung as an adviser if it had known he was about to make common cause with the United Democrats. Faced with the failure of its attempt to drive a wedge between the parties, it must now decide whether to cancel his appointment—and thus confirm its cold shoulder of the UDHK.

A more subtle resolution to its dilemma would be to exploit Mr Cheung's apparent desire to maintain some favour with Beijing to place destructive strains on the UDHK from within. However, that would be an admission that the UDHK as a party is not beyond the political pale.

China should not find dealing with the new party impossible on grounds of principle. Meeting Point and the more compliant Association for Democracy and People's Livelihood both retain group membership of the "subversive" Hong Kong Alliance in Support of the Patriotic Democratic Movement in China. The UDHK does not. Yet China has accepted the leaders of both the first two parties as advisers, while rejecting the United Democrats on the grounds that some of its leaders are core members of the alliance.

In practice, however, China will have difficulty accepting members of the UDHK, since this would make it harder to exclude it from elections to the first post-1997 legislature. If it confirms Mr Cheung's appointment as an adviser, Hong Kong's pro-democracy politicians will have strengthened their position not only for the 1995 elections but also for those thereafter.

#### Negotiations on Airport Contracts 'Deadlocked'

HK2004040494 Hong Kong SOUTH CHINA  
MORNING POST in English 20 Apr 94 p 2

[By Keith Wallis]

[Text] Construction firms and the Provisional Airport Authority remain deadlocked over contract conditions despite three days of negotiations. Talks broke up yesterday afternoon without the expected agreement which would have ended the 10-week row. This was despite concessions by the authority which resulted in provisional agreements on four of the five issues raised by the Hong Kong Construction Association and agreement on 20 minor amendments. The remaining point outstanding is how contractual disputes should be handled.

Contractors said that without an agreement on this point a deal on the rest was meaningless. The four tentative agreements clarify the duties and powers of the project manager, limit contractors' responsibility for extra work to structures it has also designed, limits the amount of general damages authority can impose, and restricts the work needed to make good ground settlement. No new date for further discussions has been fixed but the two groups are likely to be in contact over the next few days to set a timetable for the next meetings.

"There has been a substantial measure of agreement and a substantial measure of flexibility," said an authority spokesman. "I think both sides need to have time to reflect on the progress which has been achieved and consider their future options accordingly." After talks with the authority ended, the association's negotiating team held a meeting with representatives from more than 25 contracting firms who have boycotted four airport advance works contracts. Held behind closed



doors, the meeting enabled association negotiators, including legal and contract specialists, to give contractors a progress report. The contractors decided to continue the boycott until there is an agreement to include similar dispute resolution measures to those on government-funded airport core projects. These allow for mediation and adjudication while construction continues and arbitration at the end of the contract if the dispute is still unresolved. The authority originally refused to accept these measures because "they were not in the public interest". Called ADR (alternative disputes resolution), they were proposed by the association.

"Without ADR agreements about the rest of the conditions are meaningless because it allows the authority to slip all the onerous conditions back into the contract again once work is underway. Under the present dispute procedure there is no redress until the end of the contract and that is unacceptable," commented one contractor. "Contractors and consultants mistrust the authority so much that there is a solid feeling that if we do not take steps to protect our interests now then this will be the last chance we get," added another. Consequently no bids will be submitted on Friday for any of the four contracts for passenger terminal foundations, temporary roads, water pipelines and site accommodation. Nevertheless the authority is hoping there can be a quick settlement to the row. This will permit it to announce a revised tender date.

#### **Li Lanqing Meets With Hong Kong Guests**

OW1904131394 Beijing XINHUA in English 1126  
GMT 19 Apr 94

[Text] Beijing, April 19 (XINHUA)—Chinese Vice-Premier Li Lanqing met with a delegation from Hong Kong University and Polytechnic Grants Committee (UPGC) here today.

During the meeting, Li expressed the hope that the exchange and cooperation in educational and cultural fields between Hong Kong and the mainland would be further strengthened.

The delegation, headed by UPGC Chairman Antony K. Leung, arrived here today as guests of the Chinese State Education Commission.

#### **Hong Kong-Backed Funds Help Eliminate Poverty**

OW1904141694 Beijing XINHUA in English 1326  
GMT 19 Apr 94

[Text] Beijing, April 19 (XINHUA)—Three projects—in Henan, Hunan and Shanxi provinces—were given awards here yesterday as outstanding contributions to the elimination of poverty in China.

At the same awards giving ceremony, 75 technologists were presented with the service award of the Zhenhua poverty relief by technology fund.

The fund has been donated by Hong Kong academic circles.

A leading official of the State Science and Technology Commission (SSTC) said at the ceremony that the fund was of great importance, because the Chinese Mainland and Hong Kong are jointly promoting the work of poverty elimination through technology.

Sponsored by the society of Hong Kong Scholars (SHS), the fund aims to encourage and support technological and professional personnel to go to poverty-stricken areas to help citizens there to escape poverty.

Elimination of poverty and common prosperity are considered as the basic requirement of socialism and a reflection of the advantages of a socialist system in China.

At the national conference on poverty elimination held last month, China promulgated an ambitious seven-year plan to wipe out abject poverty by the year 2000, solving food and clothing shortages for the remaining 80 million poverty-stricken citizens.

The official said that the key to the goal lies in the advancement of science and technology and improvement of knowledge and skills of farmers.

Since 1986, the state commission for science and technology has given 8.5 million yuan of special funds for poverty elimination, and 200 million yuan in loans.

Furthermore, it helped poverty-stricken areas to bring in more than 400 poverty elimination projects and 2,700 suitable techniques, which made direct profits of 800 million yuan for the poor.

Most of the below-poverty-line citizens live in rural areas of 699 counties in the central and western parts of China.

#### **Macao**

##### **Portuguese Prime Minister Holds News Conference in Macao**

OW1904123294 Beijing XINHUA in English 0946  
GMT 19 Apr 94

[Text] Macao, April 19 (XINHUA)—Portuguese Prime Minister Anibal Cavaco Silva said today that his recent visit to Beijing made him confident about Macao's future.

Cavaco Silva made this remark at a news conference held here today.

The Portuguese prime minister, whose visit coincides with the seventh anniversary of the signing of the Sino-Portuguese joint declaration, described the joint declaration as a symbol of cooperation between China and Portugal and a document providing the basis for Macao's future.

He said, "to speak in a frank way, the Chinese Government has strictly implemented the joint declaration in the past seven years, which gave us confidence in dealing with the macao issue."

When answering a question about China's economic development, Silva said that he was deeply impressed by

the rapid economic development in China, which in fact has also surprised other European countries.

He noted, the portuguese government supports the resumption of China's trading party status in the General Agreement on Tariffs and Trade (GATT), saying

international elements could make China's economy maintain a sustained rapid development.

The Portuguese prime minister ended his four-day visit to Macao and left for Hong Kong for a 24-hour visit this afternoon.

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